

The NATIONAL UNDERWRITER

30¢ a copy
\$7.50 a year

—The National Weekly Newspaper of Life and A&S Insurance—

Second class postage paid at Chicago.
Published weekly (with two extra issues in September) at 175 W. Jackson Blvd., Chicago 4, Illinois.

November 19, 1960
64th Year, No. 47

Building Field Management Corps Called Agency Officer's Top Job

The manager or general agent is the controlling factor in the growth of a life company, hence the No. 1 job of an agency officer is the development of field management personnel, said Raymond C. Johnson, New York Life's vice-president in charge of marketing, in his presidential address at the LIAMA annual meeting at the Edgewater Beach Hotel, Chicago.

Mr. Johnson offered some dramatic proof of this from New York Life's experience. Although the company operates in exactly the same manner in all 50 states and in all the provinces of Canada, a comparison of results for 1959 shows that in one state the company sold only 2% of the total

ordinary insurance sold in that state, while in another state New York Life sold 18%, or nine times as great a share of the total.

Manager Makes The Difference

The reason for this tremendous difference, said Mr. Johnson, is the manager. Closer investigation shows that in the state where the company did only 2% it has only seven career agents for each billion dollars of the population's net disposable income. But in the state in which the company

had expanded its share to 18% of total ordinary, it had 35 career agents for each billion dollars of disposable income, or five times as many career agents per unit of buying power. Or, as Mr. Johnson put it, "the manager was five times as effective in his job."

"Wherever you have a well selected, well trained, strong, aggressive, hard-working manager, you will have a fast growing, successful agency," he said. "There is a bromide as old as sales management itself that says, 'men

(CONTINUED ON PAGE 30)

Attendance Record, Keen Interest, Mark LIAMA Annual

Panel Sessions Especially Popular With Audiences At Big Chicago Gathering

By ROBERT B. MITCHELL

A new attendance record, with what appeared to be a new high in percentage attending the sessions, marked the annual meeting of LIAMA at the Edgewater Beach Hotel, Chicago, this week. The attendance mark, exclusive of wives was 970.

The program fare evidently hit the spot, because never before had so

OFFICERS ELECTED

President—Kenneth B. Skinner, vice-president and agency director Southland Life.

Directors—J. D. Anderson, executive vice-president Guarantee Mutual Life; Joseph L. Beesley, senior vice-president Equitable Society; Homer D. Parker, executive vice-president Commonwealth Life.

many of those present been observed taking notes. Notebooks for this purpose were distributed, as in the past, but the call for additional books reached unprecedented proportions.

Panel discussions seem to be growing in popularity. There were three at this year's LIAMA meeting, one on legislative developments, one on meeting the manpower problem and one on marketing developments. All aroused keen interest and packed huge amounts of information into a short period.

It was noticeable this year that there were unusually large representations from the bigger companies and also more company presidents on hand.

Some of the talks made at the meeting are reported in this issue. Others will be reported subsequently.

Election's Effect On Commissioner Picture Is Given

Last week's elections effected many changes—not the least of which were in the ranks of insurance commissioners. In these states there was no gubernatorial election, nor was the incumbent commissioner up for election: Alabama, Alaska, California, Colorado, Connecticut, District of Columbia, Louisiana, Maryland, Mississippi, Nevada, New Jersey, New York, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Virginia and Wyoming.

In some of the following states, gubernatorial races were run, although this does not necessarily mean there is, or will be, a change in commissioner. In others of these states, the commissioner himself ran for election. Specifics are given in as complete a version as is possible this week.

Arkansas

Gov. Faubus was reelected. Commissioner Combs' term expires Jan. 15, 1961.

Delaware

Commissioner Smith was reelected in 1959 and his term does not expire until 1963.

Florida

Commissioner Larson, originally elected in 1940, was reelected state treasurer and commissioner by a majority of some 360,000 votes.

Illinois

The election of a Democratic governor in Illinois will no doubt mean the departure early next year of

(CONTINUED ON PAGE 10)

IRS Financed Insurance Attack Held Threat To All Policy Loans

NEW YORK—The determined effort of the Internal Revenue Service to get



Merrill P. Arden

the courts to knock the interest deduction out of financed life insurance constitutes such a threat to all other policy loans as well that the entire life insurance industry should pitch in at once to resist this effort, no matter how individual companies may feel about financed insurance.

This view was emphatically expressed by Merrill P. Arden, general agent here for National Life of Vermont, in addressing the New York City Life Supervisors Assn. Mr. Arden is the immediate past president of Assn. of Advanced Life Underwriters, formed several years ago to succeed an informal committee organized to combat the IRS effort to deny the tax deduction to financed insurance.

Says Collateral Will Suffer

"Should the Internal Revenue Service win its battle against financed insurance, the collateral of all cash value life insurance will suffer," Mr. Arden warned. "For the life insurance industry to stand by and permit the Assn. of Advanced Life Underwriters to fight alone in the face of the heavy bombardment by the Treasury Department is foolish."

"We are in touch with and assisting taxpayers around the country whose tax deductions have been questioned or denied. But we should not have to fight this battle alone. Nobody—regardless of their feelings on financed insurance—would want cash values impaired. The industry must realize the strength and the conviction of the revenue service and step in and help us."

Mr. Arden explained that the IRS,

having been unsuccessful in getting Congress to legislate an exclusion for interest on financed insurance, now is trying the litigation route. It is having its field agents question taxpayers' returns where there is a deduction for the financed purchase of annuities or life insurance.

While it is the opinion of AALU's counsel and of others having a deep

(CONTINUED ON PAGE 26)

Life Of Vermont Will Pay \$19 Million In Dividends

National Life of Vermont has increased its 1961 scale of dividends on life policies, retirement annuities, and annuity builder contracts.

To pay dividends next year the company has set aside approximately \$19 million, or \$2 million more than last year.

Arthur F. Priebe, Penn Mutual, Rockford, Ill., a director of Million Dollar Round Table Foundation, right, presents the foundation's first grant, a check for \$5,000, to Dan M. McGill, professor of insurance at the University of Pennsylvania and chairman of American Assn. of University Teachers of Insurance. The grant will be used to put together a "Case Book in Life Insurance," a compilation of case histories designed for use in basic life insurance courses.

Looking on at presentation ceremonies is Adon N. Smith II, Northwestern Mutual, Charlotte, N. C., who is president of the foundation. (Story on page 6.)



See Big Industry Role In Providing Health Care For Retired Employees

Private industry, as a purchaser of three-fourths of the nation's health care coverage, will be playing a substantial role in providing health care benefits for its retired employees, according to a consensus of panelists examining the subject at the fall insurance conference of American Management Assn. at Chicago. Industry will meet this obligation either voluntarily or coercibly through taxes.

Representatives of management, labor, insurance and medicine presented their views on industry's responsibilities and the drain on the corporate pocketbook in fulfilling them. The speakers were Morton D. Miller, vice-president and associate actuary Equitable Society; E. D. Starkweather, vice-president of personnel North American Aviation; Leonard W. Martin of the economic research department of American Medical Assn.; Jerome Pollack, social security department of AFL-CIO; and James E. Stuart, president of New York Blue Cross.

Mr. Miller said that 60% of his company's group policyholders will have some of their health benefits continued after retirement. Continuation of benefits directly under the group plan has many advantages over the conversion mechanism. There is

greater flexibility, and employer participation in the cost is possible. In the majority of Equitable contracts, the employer pays the entire cost of post-retirement continuance, and when the cost is contributory, the pensioners usually pay no greater a rate than were their contributions when they were active employees.

Uncertainty as to costs has tended to slow development of post-retirement continuance, he said. This should no longer be a factor because there is now sufficient experience and it is

pretty well known what costs will be.

It has been said that the retiree coverage costs roughly three times as much as active employee coverage. This is not an accurate estimate, Mr. Miller said, because active employee coverage usually includes family protection with provisions for maternity benefits and protection for dependent children which are largely absent among retired employees. Actual cost should be nearly 1½ times that of active employees. He mentioned a number of advan-

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Schriver Stresses Need For Joint Field-Home Office Liaison Group

A joint commission consisting of top leaders from the home offices and the field seems to be the only way to



Lester O. Schrivers

meeting of LIAMA in Chicago.

"One of the principal areas of debate, dissatisfaction and even acrimony has to do with some of our merchandising methods, especially in the field of group insurance," he said. "Now I have been advised by a very good, well-wishing friend to keep away from this subject. But how can you ignore a subject that is the cause of so much of our discussion, dissen-

sion, misunderstanding, double-talk and abuse?"

Commenting on the "high-level" industry committee on group insurance, headed by President Henry S. Beers of Aetna Life, Mr. Schrivers observed that the committee's report doesn't even represent the unanimous opinion of all its members, "but neither did the constitution of the United States."

"If you can find eight men in the

(CONTINUED ON PAGE 18)

Bruce Resigns Post As Head Of Puritan Life

Thomas M. Bruce Jr., president of Puritan Life, has resigned. He will establish an independent consulting service in the field of insurance company management in New York.

Puritan Life, which has its home office in Providence, R. I., is owned by Connecticut General.

Mr. Bruce, an attorney, became president of Puritan in 1958. He joined the company in 1954.

His new consulting firm will serve

National Investors Of Ky. Is Formed; Waterfield President

National Investors Life of Lexington, Ky., has been formed with Harry Waterfield, newspaper publisher, farmer and former lieutenant governor as president.

Cad P. Thurman, with half a century of experience in the insurance business in Kentucky and twice commissioner of Kentucky, has been retained as consultant and will serve on the board.

Other officers and members of the board are Michael J. Odom, Lexington executive vice-president; Clyde Reed and Rudy Yessin, attorneys; J. P. Smith, Reed & Leary, Frankfort; J. P. Odom, board chairman National Investors Life of Arkansas, and B. North, 1st vice-president, secretary and treasurer.

Capitalization Noted

The Kentucky company is capitalizing at \$1,750,000, \$375,000 of which has been subscribed and paid in; 275,000 shares of the common stock of the Kentucky company will be offered for sale to the public. A charter has been issued and the sale and marketing of its securities has been authorized by the division of securities of Kentucky. Stock will be sold only in Kentucky and shares have been allocated to counties, with subscriptions limited.

The organization of the Kentucky company follows a pattern which has been used in Arkansas, Louisiana and Oklahoma. The first National Investors Life was formed in Arkansas in 1957 and has life insurance in force in excess of \$50 million. The following year, 1958, National Investors of Louisiana was organized and has life insurance in force in excess of \$47 million. The following year, National Investors of Oklahoma was organized and has approximately one year's operation with over \$25 million in force.

casualty companies as well as those in the life insurance field.

Visitors From India Describe Life Insurance Operations There

FORT WAYNE—Life insurance has an almost unlimited future in populous India, and can be a great factor in that country's economic growth, according to three insurance executives from Bombay who are making a two-month study of the life business in the U.S., currently at Lincoln National Life.

Sirulur Srinivasan, managing director of the huge government-operated Life Insurance Corp. of India, reported the insurance future in India is bright and is expected to double in another three years. He called attention to the fact India is an area half the size of the U.S. has more than twice the population.

"Eventually we hope to have the greatest insurance program in the world," he said.

With Mr. Srinivasan are Ravindra Mehta, secretary of Life of India and Jayasin Ranadive, actuary.

Nationalized at the end of 1955, the life business in India is served by some 350 agencies in the country, staffed mainly by personnel who directed the various companies before the government consolidation. There are now about 7 million life policies in force.

About 80% of the life insurance business in India is of the 20-25 year endowment policy type, with the average policy about \$800. This is in line with income levels in India.

The visitors reported they find American insurance companies especially frank and helpful in offering information concerning operations and insurance methods. European insurance companies are not so free with the desired information, they said. They also praised the spirit of cooperation in research and training among American companies.

Mr. Srinivasan said insurance con-

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Early Announcements Of 1961 Dividend Scales

Name of Company	Current Policies	Old Policies	Funds Non-withdrawable %	Left With Co. %	Accum. Div'ds %
Aid Assn., Luth.	Increased	Increased	(f)	(f)	4
American Bkrs., Tex.	Same as '60	Same as '60	2.5	2.5	2.5
American Family, Tex.	Approx. 5% Incr.	Approx. 5% Incr.	3	3	3.5
American Mut., Ia.	Same as '60	Same as '60	3	3	3.25
Austin Life, Texas	"	"	2.5	2.5	3
Baltimore Life	"	"	2.5	2.5	3
Bankers Mut., Ill.	"	"	3.5	3	3.5
Bankers Natl., N. J.	"	"	2.5	2.5	4
Bankers Union, Colo.	"	"	2	2	3
B. A. R. E.	"	"	3.5	3.5	3.5
Cal.-Western States	"	"	2.5	2.5	3.5
Christian Mutual, N. H.	"	"	3.25	3.25	3.5
Columbus Mutual	"	"	2.5	2.5	4
Commercial Life, Ariz.	Increased	Increased	3.5	3.5	3.5
Consumers Natl., Ind.	Same as '60	Same as '60	3.5	3.5	3.5
Continental American	Increased	Increased	3.5	4.25	4.25
Continental Life, Can.	Same as '60	Same as '60	3.5	3.5	3.5
Cuna Mutual	"	"	3.25	3.25	3.25
Eastern Life, N. Y.	"	"	3	3	3
Empire State Mut.	Revised	Revised	3	3	3
Farm Bureau Life, Mo.	Same as '60	Same as '60	2.75	2.75	2.5
Farm Family, N. Y.	Approx. 30% Incr.	"	3.5	3.5	3.5
Fidelity Life Assn., Ill.	Same as '60	Same as '60	3	3	3
Fidelity Union	"	"	3	2.5	4
First Natl. Life, Ariz.	"	"	3	2.5	3
First Pyramid, Ark.	Same as '60	Same as '60	3	3	3
First United Life, Ind.	"	"	2.5	2.5	2.5
Golden State Mut.	"	"	3	3	3
Great Lakes Mut.	"	"	3.5	3.5	3.75
Great Southern, Texas	Same as '60	Same as '60	3.5	3.5	3.75
Great-West, Can.	Increased	Increased	3.55	3.55	3.75
Hoosier Farm Bur., Ind.	Same as '60	Same as '60	3	3	3
Jefferson Natl.	Same as '60(a)	Same as '60	2.5	2.5	3
Knights of Columbus	Same as '60	"	3.5	3.5	3.5
Lutheran Mut. Life	"	"	3.5	3.5	3.6
Manufacturers Life	Increased	Increased	4	4	4
Midwestern United, Ind.	"	"	3	2.5	3.5

(a) Except scale for one policy increased.

(b) United States, 4.25% in Canada.

(c) 3.7% on policy proceeds involving life contingencies; 3.8% on policy proceeds not involving life contingencies.

(e) From May 1, 1961.

(f) Funds on deposit 4%; fixed period and guaranteed portion life income, 3.75%.

(g) Increased for certain classes of policies.

We're Only 113th in Size*

But

Our Selector Policy Is Rated No. 1

According to a recent independent comparative study of life insurance policies Lutheran Mutual's Selector Policy tops the \$10,000 ordinary life class in average payment and average cost.

Top-flight competitive policies like the Selector are one of the reasons our representatives enjoy working for Lutheran Mutual. One of the very lowest lapse ratios in the entire industry attests to the fact that our select clientele are sold on Lutheran Mutual too!

*Now more than \$575,000,000 Insurance In Force
and headed for another record-breaking year!*

Lutheran Mutual LIFE INSURANCE
COMPANY

Home Office



Waverly, Iowa

* Insurance in Force January 1, 1960

150 On Hand At Security Mutual (N.Y.) Annual Convention; Pille Is Keynoter

Some 150 home office employees and field men attending Security Mutual Life of New York's annual convention at Boca Raton, Fla., heard Richard E. Pille, president, in his keynote address, say that an increasing public awareness and the demands of national government have resulted in a tremendously expanded use of insurance—both personal and business—to meet individual

and national needs.

Mr. Pille, elaborating on the mushrooming growth of insurance investment, cited the \$550 billion worth of regular insurance in force today as compared to the \$3½ billion in force at the time of Security Mutual's founding in 1886.

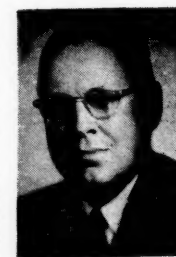
He also pointed to the industry's \$115 billion asset figure and the fact

that there are in America today more than 130 million policyholders—constituting 70% of the population.

"In 1959 alone," Mr. Pille observed, "the following payments were made by the industry: \$3 billion in death benefits; \$4,420,000,000 to living policyholders, and \$2 billion in health benefits; almost \$10 billion in benefits in one year alone.

"They represent," he said, "the tremendously expanded use of insurance, both personal and business, to meet the familiar needs we know—payment of mortgages, provision for education, family income, old age pensions, hos-

pital and surgical bill payments, social security income supplements, keyman and partnership insurance, disability income, stock transfer, tax funds, creditor protection, and many others.



Richard E. Pille

"Two activities of our national government," he continued, "have contributed heavily to our growth. One is the monthly income concept in

social security for the family and for the insured's old age. This has been a major educational factor on the value of income to the American public. The second is taxes—income, gift, and estate, all of which have made it almost impossible for the normal individual to accumulate family funds except with the help of insurance," he said.

Changes In Portfolio

Portfolio changes introduced at the meeting were:

—Term to 75 rider. This rider, which can be attached to any permanent plan, becomes paid up at age 65. At that time, the insured has three options—He may choose paid-up term insurance to age 75, paid-up insurance for life, or a cash settlement.

—A 10-24 group plan. More liberal underwriting and flexibility are features of the modernized 10-24 group plan, with higher daily room and board limits, surgical schedules, and loss of time benefits.

—Improved accidental death benefit and disability rider. New ADB and disability riders feature liberalized aviation restrictions (the company will pay all passenger deaths) and the "accidental means" restriction is no longer a part of the ADB rider. In addition, policy terminology has been clarified and simplified.

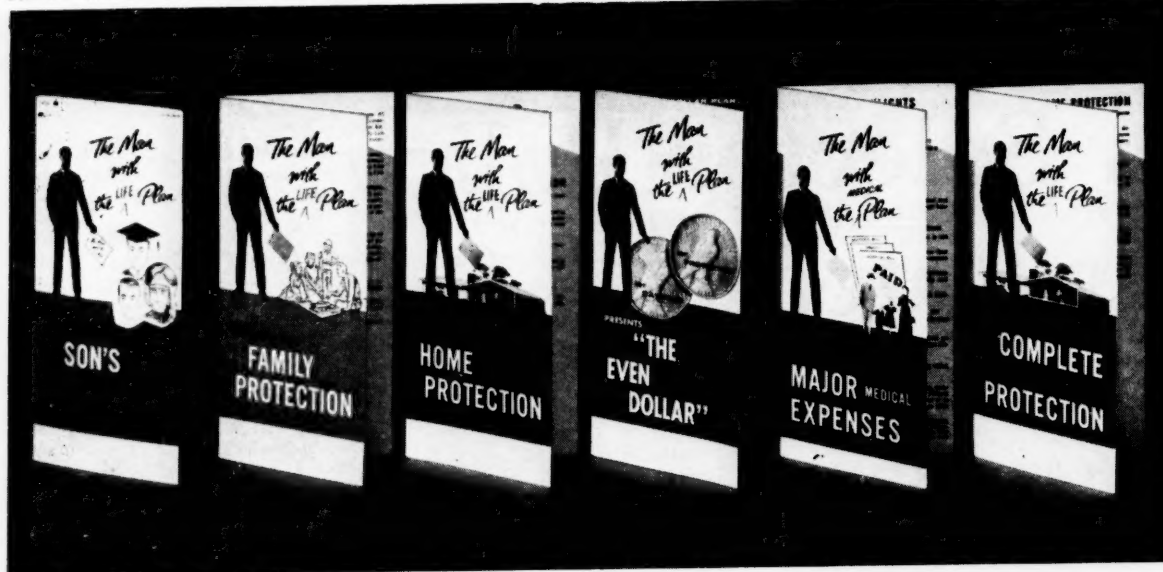
—Group life limits. These have been raised for the 10-24 plan and the 25 and over category as well. The revised limits, in all cases, are related to the insured's annual income.

—First year commissions. Security Mutual has substantially increased agents' first-year commissions on level term riders, family income riders, and group life policies.

—Interest rates. The interest rate on all policyholder funds is to be raised to 3½%, and will be accompanied by a 3½% discount on advance premiums.

Convention guests also heard a general outline of company programs and activities being planned in connection with Security Mutual's approaching 75th anniversary year.

Other convention speakers were Agency Vice-president Harland A. Knight and Thomas A. Wilson, a director of the company.



A Brand New Approach to Selling...



Attractive — The new Employers' Life pocket-size sales aids are appealing to the eye... interesting to prospects.



Factual — Open them up and you have the complete story of the prospect's problems and their solutions. Plenty of facts. Plenty of good, sound sell.



Practical — Open them up still further and you get closer to the sale. The rates are easy to read. The protection is clearly defined.

Complete — All Employers' Life sales aids are complete with the clincher... a concise application that is easy to fill out and close the sale.

Employers' Life sales aids that make it easier for Agents to sell are available on The Home Protection, Complete Home Protection, Family Protection, Even Dollar, Automatic Estate Builder, and Major Medical Expense Plans. Write, or call, today for copies of these sales aids.

THE *Employers' Life*

INSURANCE COMPANY OF AMERICA
EXECUTIVE OFFICE: 110 MILK STREET, BOSTON 7, MASSACHUSETTS
ONE OF THE EMPLOYERS' GROUP OF INSURANCE COMPANIES



Great Southern Offering Brokers Lifetime Fees

Great Southern Life has adopted a new broker's contract providing lifetime service fees. On business written in any contract year during which the broker pays for at least \$100,000, a lifetime service fee of 2% will be allowed. First year life commissions are at the same rates as Great Southern allows to its career agents.

Lifetime service fees are also allowed on health policies. Health policies count in qualifying for the minimum \$100,000 requirement on the basis of \$1,000 for each \$10 of health commission.

Drawings years as Bates, 2nd vice-president of Connecticut Mutual Life, LIAMA a meeting at about the planning a ership t wanted a pected fr company general as also explain the com growth stu

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E. B. BATES TELLS LIAMA:

What The General Agent Wants From His Company

Drawing on his experience of 10 years as a general agent, Edward B. Bates, 2nd agency vice-president of Connecticut Mutual Life, told the LIAMA annual meeting at Chicago about the sort of planning and leadership that he wanted and expected from his company while a general agent. He also explained how the company's growth study committee operates.



Edward B. Bates

First of all, he wanted frequent and convincing assurance that the company was conscious of the challenges and problems ahead and that it was planning intelligently to meet them. Every general agent and manager feels he is an important part of the company and he approaches his job in a more positive manner when he is confident that the company is on top of industry and company problems. This is an intangible but still a most valuable form of personal security to him.

No Pat On The Head

"I did not want," he said, "nor did I get the pat on the head and the admonition, 'Don't worry about these things, young man. You run your agency and let us run the company. Everything is in good hands.' The danger faced is no so much lack of good planning and follow-through at the company level. Rather it is a matter of the right attitude and communicating to the field force the fact that such plans do exist and how these plans are being executed and will be executed."

Second, Mr. Bates wanted merchandising and marketing leadership from his home office. Home offices tell the field that merchandising ideas originate in the field, but it's an agency department function to seek them out and not expect the field to supply them in orderly fashion. When an agency department officer visits an agency, he can't expect to get much in this area unless he plans to do so. So why not a prepared and planned discussion on both the broad marketing concepts that a general agent is concerned with and the specific merchandising ideas developed within the agency.

These can then be reviewed, refined, coordinated and disseminated through the home office. Also in this area, a better job of market direction is often possible. Many market studies and related data tend to be buried in other sales promotional material, and thus lose their impact. Mr. Bates believes that life insurance, by comparison with some industries is really antiquated in marketing and merchandising planning. He hopes there will be a major breakthrough, as this is where the agencies need help.

Third, Mr. Bates wanted help from his home office in agency planning. He wanted encouragement to do it and recognition if he did it well. With the agency department's help, the general agents and managers can develop plans that are sound, and if they are sound the agency heads will not hesitate to work with them. But too few of these agency heads will do it on their own. They need the agency department to start the cycle moving and to counsel with them thereafter.

Too many agency plans are nothing

Mutual Of N. Y. Dividends, Excess Interest In 1961 Seen Reaching \$50 Million

Mutual of New York expects to pay policyholders \$50 million in dividends and excess interest in 1961, a record and \$3.2 million more than the 1960 payment.

The bulk of the increase comes from a boost in the dividend scale for most ordinary insurance policies and annuities. The rest of the increase is the result of a rise in insurance in force and an increase in excess interest on supplementary contracts and dividend deposits over the 1960 scale.

The dividend increase was approved by the trustees, and ratification of the action is scheduled for after the year-end.

As part of the action affecting dividends, trustees also approved an increase from 3.5% to 3.55% in the interest rate on participating supplementary contracts, and an increase from 3.3% to 3.55% in the interest rate to be paid on dividend deposits.

Scales for termination dividends and dividends on A&S policies will be continued next year.

Provident Mutual Boosts Dividend Scale, Interest

Provident Mutual Life has increased its dividend scale on practically all individual life insurance and retirement annuity plans, effective Jan. 1. The 1961 dividend distribution will result in payment of some \$1 million more than if the 1960 scale had been continued.

The interest rate for accumulated dividends and most supplementary contracts has been increased from 3.5% to 3.6%. This is the highest rate the company has paid on accumulations since 1937 and on options since 1940.

Premium rates for single premium annuities have been reduced from 2% to 8% depending on the age, sex and type of annuity. Limits have been increased.

The interest rate on funds in the premium deposit plan has been increased from 1.5% to 3%, effective Jan. 1.

more than production projections, completely unrelated to the agency's past performance or company performance. The projection is not a plan, it's just a dream. For example, when Mr. Bates asks to see a general agent's plan, he wants to see a written outline of his agency-building philosophy and objectives, backed up with the specifics of how he is going to recruit, select, train, supervise, organize his staff, maintain morale, provide facilities and services and develop good public relations.

"I feel very strongly about this because after seven years in agency management with only mediocre planning, I was finally forced to do some sound and realistic planning," he said. "For my last three years as a general agent I lived with a plan."

Not The Usual Projection

This plan was not the customary projection of production goals, but rather a statement of principles and policy. It defined the kind of agent the agency wanted, the methods it would use to find him, what it was going to do with him and for him after he was accepted into the agency and, in total, the specifics of the entire agency

philosophy and operation. Whether it's an agency or a company, the shortest path to the goal is a detailed plan that can be accepted by all—the agents, the agency management staff and the company.

"You may say I'm a nut on planning," said Mr. Bates. "Well, I am."

Became A Way Of Life

The plan he used became a way of life with him. It gave him confidence that rubbed off on his associates. Still, he had a job that he couldn't do alone. He needed help from the home office. Along with the encouragement, direction and recognition, he wanted two other things that he obtained. He wanted a basis of comparison so he could know how he was doing. He wanted a comparison of his production per man, his retention rate for new agents as compared with people who were doing a good job. He wanted specific figures, not averages, because he had no ambition to be "just average."

Such information and performance standards are vital to agency planning. Connecticut Mutual general agents are given semi-annual progress reports,

(CONTINUED ON PAGE 23)

one of the
best
and
one of the
busiest

Comparable year-to-date figures continue to show that Central Life's sales consistently run well ahead of the life insurance industry as a whole. There are several reasons why this is so—and Central Life agents agree that an important one is *true graduated premium* on all plans (except single premium). The quantity discount idea, first introduced in the United States by Central Life in 1955, is another example of the sales-minded leadership that's making "One of the Best" one of the busiest, too!

Central Life

ASSURANCE COMPANY, DES MOINES 6, IOWA
Progressive and competitive, yes . . . but not

at the expense of financial security

ASSETS	\$175 Million
SURPLUS	\$14 1/2 Million
INSURANCE IN FORCE	\$620 Million

Levering Cartwright INSURANCE STOCKS

Life-Fire-Casualty

Cartwright, Vallean & Co.
Members Midwest Stock Exchange

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Chicago 4, Illinois

WAbash 2-2535 Teletype CG1475

You may telephone orders collect.

First Grant Of MDRT Foundation Goes To Life Insurance Teachers For Case Book

Million Dollar Round Table Foundation has inaugurated its first major project—a grant of \$5,000 to American Assn. of University Teachers of Insurance for a "Case Book in Life Insurance," a compilation of case histories for use in basic life insurance courses.

Said Foundation President Adon N. Smith II, Northwestern Mutual, Charlotte, N. C., "This initial grant follows

one of the five major objectives of the foundation—'encouraging research with respect to economic, marketing, medical and other matters relating to life insurance and in education in the field of life insurance.'"

Representatives of both the foundation and the teachers association agree that case histories in life insurance for class room study and analysis are al-

most non-existent, and that any such volume would find immediate acceptance in many college courses to supplement basic text materials. The present volume is to be designed for use in basic life insurance courses as contrasted with advanced courses such as estate planning, employee benefit plans, etc.

Mr. Smith, who announced the grant, said:

—The volume is to contain cases pertaining to all major areas of life insurance operations and is not to be limited to the area of life insurance

selling in the narrow sense.

—The project will be under the control of the university teachers association and among its responsibilities will be the selection of the persons who will undertake the preparation of the volume.

—The target date for completion of the project is two years from the date of this selection.

—It is anticipated that the completed manuscript will be made available to a commercial publisher.

—A page in the completed volume will acknowledge the support of MDRT Foundation.

"The foundation is most heartened by the full and enthusiastic cooperation of the officers and executive committee of AAUTI," Mr. Smith said. "Before the grant was made, representatives of our groups met and formulated standards which would seem to assure a smooth working and useful project."

"We hope that this project will serve to indicate most strongly the direction which the foundation's board of directors hope that future grants will take," he said.

(Picture appears on page 1.)

Why so many brokers prefer

ACCIDENT AND HEALTH PLANS

from Great-West Life

Great-West's outstanding A & H portfolio includes non-cancellable and guaranteed continuable as well as commercial contracts. Three great plans assure brokers complete satisfaction in filling their clients' needs. The Maximum Protection Series features disability income plans, non-cancellable and guaranteed continuable to age 65. The Economaster Series for commercial disability — accident only, or accident and sickness — is available to both employed men and women. The Dollar Guard Series provides guaranteed continuable medical expense plans, lifetime hospital and surgical contracts; and a Major Medical contract with benefits up to \$7,500 available to families and individuals.

Great-West Life has many other advantages too! Here are the most important... a wide range of quality contracts; rates that win sales; personal, attentive service on every contract; liberal commissions; complete co-operation and open-minded assistance from Head Office; plus the fact that Great-West is firmly established as one of the most experienced leaders in brokerage business.

Make these factors work to your advantage... in more sales, increased earnings... by calling or writing your nearest Great-West office today.

The Great-West Life Assurance Company
HEAD OFFICE - WINNIPEG, CANADA

Honor Sam Beery

Commissioner Sam N. Beery of Colorado, president National Assn. of Insurance Commissioners, was the guest of honor at an all-industry testimonial luncheon last week at Denver, the sponsors of which were the stock and mutual agents, the A&H agents, the stock and mutual field clubs, the life general agents and the fire and casualty general agents.

A bronze plaque was presented by Charles Schoelzel of Van Schaack & Co. The luncheon was attended by about 100 insurance men.

Syracuse Officer Lineup Changed By Transfer Of President W. D. Bayless

William D. Bayless, John Hancock has resigned his position as president of Syracuse Life Underwriters Assn. Mr. Bayless, who has been transferred to Long Island City, N. Y., is succeeded in his association post by Vice-president Edward J. Welsh Jr., New England Life.

The by-laws of the association provide that the vice-president assume the vacated office of the president.

At the same time, other officers and a member of the association were elected to new posts by the directors. Secretary-Treasurer Charles S. Eaton, Mutual Benefit Life, was elected vice-president; Director Thomas J. Law, Connecticut Mutual Life, becomes secretary-treasurer, and Alexander C. Enders, New York Life, is named a director to fill Mr. Law's unexpired term.

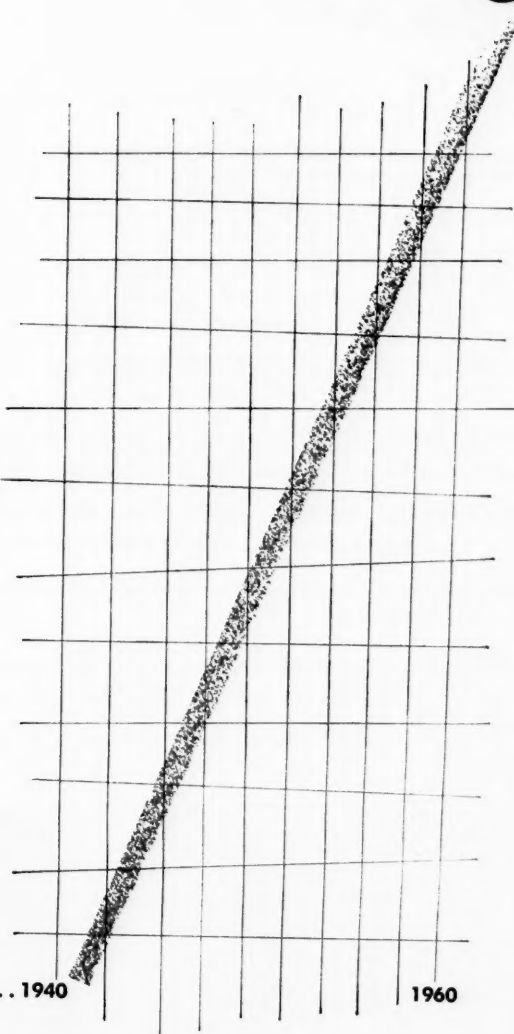
Prudential Reduces Single Premium Life Annuity Rate

Prudential has reduced single premium life annuity rates as follows:

—A lifetime monthly benefit of \$100 single premium annuity for a male age 65, which previously cost \$15,910, under the new rate is available for \$14,180. A woman, age 65, may obtain the same annuity for \$16,540, as compared to the former cost of \$18,730.

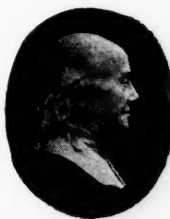
—The same man can purchase a Prudential \$100-a-month annuity, 10-year guarantee, for \$15,470, and the woman for \$17,240. Former costs of this annuity for the male and female were, respectively, \$17,770 and \$20,060.

Franklin has no sales curve . . . just a straight line **UP***



*Since January 1, 1940 Franklin insurance in force has increased from less than \$200 million to nearly \$4 billion.

An agent cannot long travel at a faster gait than the company he represents!



The Friendly
FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT SPRINGFIELD, ILLINOIS
DISTINGUISHED SERVICE SINCE 1884

One of the 15 Oldest Stock Legal Reserve Life Companies in America
Over Three Billion Eight Hundred Million Dollars of Insurance in Force

San Antonio Managers' Panel Discusses Ways, Means Of Recruiting

Recruiting techniques were discussed by a panel at the San Antonio Life Managers Club.

William F. Bryan, Aetna Life, said the best and easiest recruiting method is one which acquires agents through members of the agency. Other methods included nominators, personal observation, advertising and referred leads.

With regards to motivating, Mr. Bryan

said he secures men who will fit into the agency and work well with the other members.

Roland M. Aycock, Southland Life, said the manager must be the center of influence. This is especially true in rural areas. In his own case, Mr. Aycock said, he sets up a board of directors in the smaller towns, impressing upon his contacts that they know better than he which local men are best qualified for life insurance.

He selects his own agents with the aid of standards set by LIAMA and an aptitude test. Each year he sets up

a list of some 20 men he thinks would do well and contacts one each month.

Harper H. Bass, Massachusetts Mutual Life, said he has found personal contacts most valuable in securing new agents. His heavy producers have in turn secured other men for him. If a man does not become a heavy producer for his agency he soon leaves.

He emphasized the high cost of operating an agency and noted that since he started from scratch he had no problem with older agents—thus his men think as the manager does and do not require much training.

Many Life Rates, Small Group Changes Made By Union Mutual Life

Union Mutual Life introduced several changes in its life and group coverages during its managers' meeting at the home office. William L. Barber, vice-president and chief actuary, announced new life rates and values for applications dated on or after Sept. 1.

All life policies issued on the new rate basis will have the following features:

—Premium rates are quantity counted. All rates, except those for family policy and endowment at age 18 on male lives, have been changed. Generally, premiums for policies of \$5,000 or over have been reduced, and in many instances, the premiums on smaller policies have also been reduced.

—Rates have been reduced for coverages on female lives.

—Cash values for the first 19 policy years have been increased for all plans except the "Family Policy Preferred Risk," and endowment at age 18. Values on these plans remain unchanged.

10% Dividend Increase

—A dividend increase averaging 10% was announced, effective Jan. 1, and applies to all policies, both new and old.

—Twenty-year net costs, based on premiums, dividends, and cash values have decreased for all policies of \$5,000 or more, and in some instances on policies of less than \$5,000.

—Accidental death benefit premiums now vary by age rather than age group and generally have been decreased.

—All disability waiver of premium rates have been reduced.

—New minimum policy amounts are \$2,000 for adult plans, and \$1,000 for juvenile plans.

Robert C. Russ, vice-president, group sales, introduced new and revised small group coverages for 10 to 25 lives. The programs offer complete flexibility instead of only two or three set plans. The employer can select any combination of coverages, including major medical or dread disease, and tailor his coverage to his own particular requirements.

Mr. Russ also announced that group life and accidental death and disability member limits have been raised. In addition, A&S and ADD rates have been lowered.

Immediate Annuity Rates Reduced By Berkshire Life

Reductions in immediate annuity rates have been made by Berkshire Life.

Following are comparisons between Berkshire's old and new rates for an annuity of \$10 a month:

Immediate Annuity Life No Refund—Male				
Issue Age	Old	New	Reduction	%
65	\$1,591	1,415	11	
70	\$1,323	1,176	11	
75	\$1,078	947	12	
Female				
65	\$1,873	1,619	14	
70	\$1,591	1,354	15	
75	\$1,323	1,094	17	
Immediate Annuity Cash Refund—Male				
Issue Age	Old	New	Reduction	%
65	\$2,227	1,695	24	
70	\$2,015	1,494	26	
75	\$1,817	1,308	28	
Female				
65	\$2,450	1,825	25	
70	\$2,227	1,610	28	
75	\$2,015	1,406	30	

Protective Security Life Moves

Protective Security Life has moved its home office into new quarters at Beverly Hills, Cal.



THE MAN WHO SELLS JOHN HANCOCK... can serve his clients better

Here are some of the liberal features available in the John Hancock Signature Series—they're strong selling points for every man who sells John Hancock:

PREMIUM ECONOMIES—Lower premium rates per \$1,000 on larger policies.

MODERN NON-MEDICAL LIMITS—Ages 0-30 \$25,000
31-35 10,000
36-40 5,000

ACCIDENTAL DEATH BENEFIT—Triple Indemnity protection while a passenger on a common carrier.

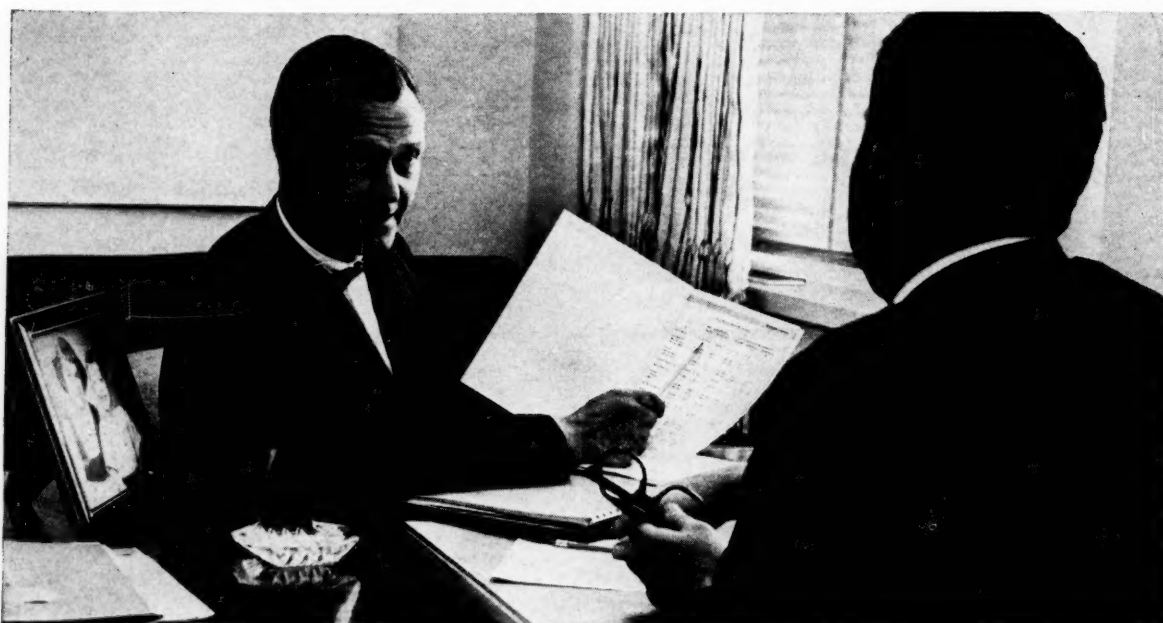
FAMILY INCOME-SINGLE PAYMENT BENEFIT—Beneficiary may take either Monthly Income, Single Payment or a combination of both.

INSURANCE OF INSURABILITY—Guarantees that additional insurance may be purchased regardless of health; at issue ages below 25, amounts available may total \$60,000.

RETURN OF PREMIUMS—An amount equal to premiums paid will be payable upon death of the Insured within 10 years of issue.

CONVERSION ALLOWANCES—Payable on attained age exchanges of Term Insurance for permanent plans and when policy owner exercises Insurance of Insurability option.

SPECIAL PLANS FOR WOMEN—Four special plans for women with lower rates reflecting their longer life expectancy.



John Hancock
MUTUAL LIFE INSURANCE COMPANY
BOSTON, MASSACHUSETTS

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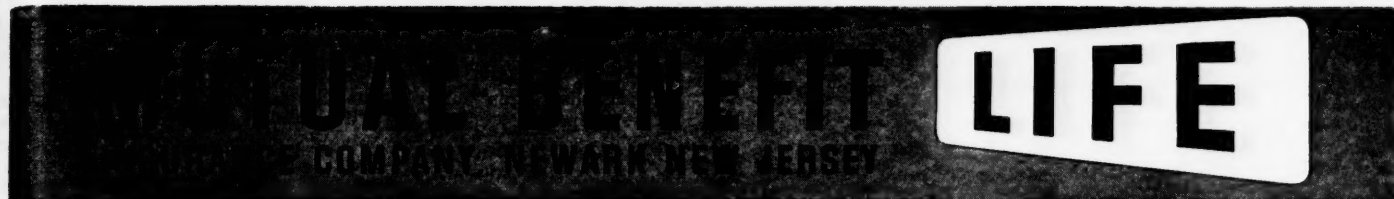
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Satisfaction, Success, and Prestige Attract MBL General Agents' Sons to Life Insurance

Six sons of successful Mutual Benefit Life general agents have followed in their fathers' footsteps for a career in life insurance.

A survey of the six young men showed that satisfaction in being able to help people solve their problems, to have professional status, to be self-employed, and quality of salesmanship were the leading reasons for entering life insurance.

Most interesting is the fact that the father-son teams are from different parts of the country.

For All These Reasons

Charles L. Doane, Jr., son of Omaha general agent Charles L. Doane, CLU, had three reasons for selecting a career in life insurance. They included professional prestige, ability to help people, and that his income would depend on his willingness to work.



Charles L. Doane, Jr.



A. J. Lewallen, Jr.

The son of Miami general agent Alfred J. Lewallen, CLU, A. John Lewallen, Jr., chose a career in life insurance because of the prestige and a deep conviction about the importance of the job.

Melvyn J. Huber, assistant general agent of the Solomon Huber-New York general agency, and son of Solomon Huber, credits the knowledge that he could help people solve their problems, and make a good living doing it, plus the chance to train and develop good men, as the motivation behind his choice of a life insurance career.



Melvyn J. Huber



Bill Robbins

Bill Robbins, son of Lexington general agent Earl G. Robbins, chose a life insurance career because of the satisfaction his father derives from the business and from working with people.

The son of Hempstead general agent Victor R. Goldberg, CLU, Bernard E. Goldberg, was influenced by the fine examples of insurance men he saw so frequently, plus the desire to enter a profession in which he could help others and earn a good income.



Bernard E. Goldberg

Gerald E. Youngman, son of New York general agent Arthur V. Youngman, entered life insurance because of his father's love for the business, and salesmanship.



Gerald E. Youngman

NEW MBL FIELD ADVISORY COUNCIL TO PROMOTE LIAISON, UNDERSTANDING

Mutual Benefit Life Insurance Company announces the formation of a new Field Advisory Council to replace its Agents Advisory Committee and provide more sales assistance.

The new group will represent full-time agents, and by means of an improved format, election procedures and objectives, is designed to promote more effective liaison and communication between Mutual Benefit Life's home office and the field. It will provide a means for the agent to express his opinions, and to channel ideas, questions, recommendations and problems from the field to the Home Office. Among its additional objectives, the Council will aid creatively in sales and merchandising, consider agents' special problems, enhance the independent contractor status of the full-time career underwriter and typify the professional career concepts of life underwriting which are ingrained in the history of the Mutual Benefit field force.

**And a High Average Sale —
\$15,459.00**

In the Annual Report to Policyholders last year, Mutual Benefit Life reported that the average MBL policy purchased in that year was \$15,459.00.



FROM A GROCERY STORE TO "OFFICE OF THE YEAR"

When the Mutual Benefit Life Insurance Company was founded in 1845 by Robert L. Patterson, and a lawyer, tallow chandler, carriage manufacturer and several merchants, they held many of their early meetings in the back room of a New-ark grocery store.

Today the MBL Home Office is a twenty-story tower of white limestone and blue-green glass. At the top, day and night, "Mutual Benefit Life" shines in twelve-foot stainless steel letters. Completed in 1957, the modern structure was honored with the national "Office of the Year" award, with a commendation for the way it combines efficiency and economy with beauty and dignity.

Mutual Benefit Life Has 10.16% Of Agents in MDRT

Ranks 4th Among All Companies

The high caliber of Mutual Benefit Life representatives was once again recognized with the current tally of Million Dollar Round Table memberships.

156 Mutual Benefit Life agents hold Life and/or Qualifying membership in the national Million Dollar Round Table. This represents over 10% of the MBL field force.

131 Mutual Benefit Life field men — 8.5% of the entire field force — are Qualifying members.

High National Membership

In the entire country, including all companies, there is a total of 3,040 Million Dollar Round Table Life and/or Qualifying members — of which MBL members represent 5%. Coincidentally, Mutual Benefit Life, which is the fourth oldest life insurance company in the country, last year ranked fourth in Million Dollar Round Table Memberships.

In Mutual Benefit Life's own Million Club, there are 90 members who each wrote a million dollars or more Mutual Benefit Life business last year.

Election's Effect On Commissioners

(CONTINUED FROM PAGE 1)

Joseph S. Gerber as director. Mr. Gerber has supplied the state with a superior quality of insurance supervision and has been one of the workers and leaders in NAIC. In fact, he was on the way to the NAIC presidency but last June removed himself from consideration.

Indiana

The incumbent governor lost and

Commissioner Ashley probably will not be reappointed when his term expires in January.

Iowa

The change from Democratic to Republican governor in Iowa won't lose Commissioner William Timmons his job. His term runs until 1963. Mr. Timmons was appointed by a Democrat, Loveless, and his predecessor, Oliver Bennett, was appointed by a

Republican. Each will have served half of his term under other party administration.

Kansas

Frank Sullivan ran for reelection and reports indicate that he did win.

Maine

The incumbent governor won reelection. Commissioner Mahoney's term does not expire until August of 1963.

Massachusetts

A change in governor here from one

party to another—Commissioner Whaley's term technically does not expire until April of 1962.

Michigan

Although the Democrats won Michigan, Commissioner Blackford probably will not be named commissioner by the new governor, John Swainson. Mr. Blackford, who has never been confirmed by the Republican senate, has announced that he will resign Jan. 1 to devote his full time to the study of law.

Minnesota

The incumbent governor lost, but while Commissioner Magnusson's term does not expire until February of 1964 there is speculation whether he will remain in office.

Missouri

The incumbent governor won. Superintendent Leggett's term expires in January.

Montana

Commissioner Holmes was reelected.

Nebraska

New governor is a Democrat. Director Grubbs, whose term expires in January, was appointed by a Democratic governor.

New Hampshire

Incumbent governor won; Commissioner Knowlton's term does not expire until June of 1963.

New Mexico

Incumbent governor lost, but Superintendent Apodaca has remained through other changes in the state's top post.

North Carolina

Incumbent won. Commissioner Gold term expires in December.

North Dakota

Commissioner Jensen ran for reelection and was reelected by a large majority.

Rhode Island

Incumbent governor lost and there is no specified term to Commissioner Roberts' tenure.

South Dakota

Incumbent governor lost. Commissioner Dawson's term expires in January of next year.

Texas

Incumbent governor won. Commissioner Harrison's term has no definite limit.

Utah

Incumbent governor won. Commissioner Hulbert has no specific limit to his term.

Vermont

Incumbent won. Commissioner Miller's term has no specific limit.

Washington

Commissioner Sullivan did not run for reelection. His office was won by Lee I. Kueckelhan, deputy commissioner for the past 17 years.

West Virginia

Incumbent governor lost; Commissioner Pearson's term expires in January of 1965.

Wisconsin

Incumbent governor won. Commissioner Manson's term expires in June of 1963.

California Life has eliminated "age change dates" on its life insurance premiums and will write policies on the basis of the applicant's last birthday.

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new book for top management on Complete Reinsurance Service

One of America's oldest (since 1904) and most experienced reinsurers, American United serves as a working partner for insurance companies who wish to cover unusual and excessive risks. With our "Partnership Reinsurance" you can keep the business operation of your company on a solid basis, and strengthen your competitive capacity.

In addition to providing the risk-spreading advantages of reinsurance, American United offers a variety of other partnership services to simplify procedures—reduce costs—and increase sales. These services are described in detail in the illustrated booklet shown above. If you have not yet received your copy, write H. Hartzell Perry, Vice President, Reinsurance, at our home office—Indianapolis 6, Indiana.

American United Reinsurance representatives provide personalized service everywhere. In the West, Alaska and Hawaii—Jim Christopher from San Francisco; In the Southwest—Jim Ratliff from Dallas; in the Midwest—Fred Kautzman from Indianapolis; in the East—Ted McClintock from Indianapolis; in the Southeast—Fletcher Shepard from Atlanta.



AMERICAN UNITED LIFE INSURANCE COMPANY • HOME OFFICE: INDIANAPOLIS, INDIANA

ALL ORDINARY LIFE FORMS • FLEXIBLE OPTIONS • LOW NET COST SPECIALS • BUSINESS LIFE INSURANCE • KEY MAN • PARTNERSHIP • ANNUITIES • UNIQUE JUVENILE • GROUP LIFE • GROUP CREDIT INSURANCE • GROUP MORTGAGE INSURANCE • GROUP RETIREMENT • PENSION TRUSTS • NON-CANCELABLE DISABILITY INCOME • GUARANTEED RENEWABLE MAJOR MEDICAL • GUARANTEED RENEWABLE HOSPITAL & SURGICAL • SPECIALISTS IN SUBSTANDARD UNDERWRITING AND REINSURANCE



FUTURES...

our agents often deal in theirs

Parents are becoming increasingly aware of the importance of a sound, continuing insurance program when planning for their children's future. Our Career Protection policy is just such a program. As the insured progresses from childhood through adulthood, this plan offers five options to increase coverage without evidence of insurability — and at guaranteed premiums! Additional cash value is credited to the policy to age 40 and returned to the policyholder who finds it necessary to surrender before taking all options.

This kind of constructive, flexible planning for the future is evident in all New England

Life insurance programs. Our agents are constantly alert to the insurance wants and needs of their clients. They are encouraged to review regularly and adjust existing programs to best serve those needs.

We know our agents are qualified for this job. They are all carefully chosen, thoroughly trained and equipped with a variety of insurance programs to meet every contingency.

NEW ENGLAND

Mutual **LIFE** Insurance Company
BOSTON, MASSACHUSETTS

THE COMPANY THAT FOUNDED MUTUAL LIFE INSURANCE IN AMERICA—1835

125th Anniversary of Our Charter

Phoenix Mutual Life Introduces Two Plans

Phoenix Mutual Life has introduced two policies, the "Balanced Benefit" and the "Comprehensive Benefit," both of which are \$25,000 minimum whole life policies, paid up at rated age 90. Cash values are the full reserve except for a surrender charge of \$10 per \$1,000 at the end of the first policy year and approximately \$7.50, \$5, and \$2.50 at the end of the second, third and fourth policy years, respectively. Premiums are payable on an annual

basis only and the fifth dividend option is available on both plans.

Both policies are designed for split dollar, key man and deferred compensation plans.

Gen. American Life Holds Noon Hour Art Exhibition; Reaction Somewhat Varied

General American Life has become the first company in St. Louis to stage an art exhibit especially for employees to enjoy during their lunch hours. The

show, which featured works of St. Louis painters and sculptors, ran during October.

Frederic M. Peirce, president, said many are perhaps interested in art but don't have time to visit all the art shows and displays around town. Others perhaps never had the occasion to see collections of fine paintings and might enjoy browsing among these each day at noon.

Comments of company employees overheard in the crowds on opening day ran the gamut. For the most part, they expressed interest in the project.



A proclamation from Borough President John Cashmore of Brooklyn declaring Dec. 1, as "Brooklyn Life Insurance Agent Day" is presented to the Brooklyn branch of New York City Life Underwriters Assn. Making the presentation is Joseph Reich, assistant commissioner of borough works, left, and receiving it is Branch President Joseph Orshan, Equitable Society. Looking on is Harry Phillips III, Penn Mutual, New York, who is president of the New York City association. Dec. 1 is the date of the branch's annual sales conference in the Colonnade Room of the Hotel St. George.

Individual Life Sales Of \$229 Million Written In Aetna Life Sales Campaign

Producers of Aetna Life wrote more than \$229 million of individual life insurance during the company's fall sales campaign to set a new one-month record.

Ninety two general agencies exceeded their quotas in the campaign and 1,320 producers qualified for individual honors.

The Stein-Henderson agency at Chicago was agency leader, writing more than \$12 million in new business, and was followed by the Craig agency, Los Angeles, with \$10.6 million, and the Babcock agency, Philadelphia, with \$8.8 million.

Divisional trophies for agencies exceeding their quotas by the greatest percentages went to the Craig agency, Benson, Miami; Eisenach, El Paso, and Butler, Salt Lake City.

Many Term Premium Rates Reduced By Mass. Mutual

Massachusetts Mutual has reduced premium rates on many of its term life policies.

Gross premiums have been reduced on 10-, 15- and 20-year term policies, except for 10-year term plans at younger ages. Rates were also decreased on reducing term mortgage plans, family income plans and on level term riders generally, with substantial reductions on most of the latter plans. No change has been instituted in rates on five-year renewable and non-renewable plans.

Net costs on term policies except for five-year term, will be decreased even further as increased dividend rates go into effect.

Northwestern National Life reports sales of new life business during October totaled \$27,443,000—a record for the year.

The Northwestern Mutual point of view in advertising:

build agents' prestige

When the agent is pre-sold to his prospect, the agent's selling job is easier.

For example, all Northwestern Mutual agents can directly benefit from this message concerning Herman Duval, Special Agent with Northwestern Mutual for over half a century.

Currently appearing in *TIME* and *NEWSWEEK*, this thought-provoking story reaches millions of interested readers.

Four generations have felt the gracious impact of his help...

PERHAPS in every field there is a man who, beyond others, has a claim upon the applause and gratitude of his fellows. One man who epitomizes the success toward which all are working.

Such a man is Herman Duval.

For 55 years, he has been dedicated to safeguarding hopes and ambitions of families... helping stabilize their lives.

Herman Duval is a Northwestern Mutual Life Insurance agent.

In retrospect, it seems quite natural that he should have come to be called a dean in the life insurance business.

Yet one can't help asking what prompted a young lad, growing up in New York at the turn of the century, to become interested in insurance. Was it chance? In part, perhaps.

But when an improvident relative left his widow with only \$800 in life insurance, Herman Duval made up his mind that this wasn't going to happen to others in the family—or to anyone else he might influence. He entered upon his career with Northwestern Mutual.

Success came quickly. In his very first year he obtained applications for

\$300,000 in life insurance. And from there on his record soared. In some years, his clients signed for a total of \$4 million. And for 55 years, he has averaged over \$1 million a year in policies with Northwestern Mutual.

All this takes energy and enthusiasm of a high order; skill; gentleness; and a concern for others. Herman Duval finds it easy to envision behind each closed door a potential friend for life.

There are cases in which four generations in a single family have been protected through his help.

Always, Herman Duval puts the maximum of himself into his work. For him each family and business situation is something individual. It demands more than a routine answer. He lives that situation himself, thinks it through with professional care. The size of the policy never dictates the quality of the effort or service.

Naturally, Herman Duval's rewards from the life insurance field have been sizable, in keeping with his talents and hard work. But his real fascination for the business can be understood only when one appreciates the conviction he has about the good it can perform.

"It's a noble work," he'll tell you, "and one which could be ranked with clergyman-doctor-lawyer relationships when it comes to providing peace of mind and creating the climate in which people lead happy, productive lives."

"If I had it to do all over, I would still be in life insurance and still be with Northwestern Mutual. In fact, my son took my advice to do just that."

This, then, is Herman Duval, a man of great heart and fruitful years. He has become a legend in his own time... outstanding symbol of all those who devote themselves to serving the policy-owners of Northwestern Mutual.

★

To some this will suggest a career!

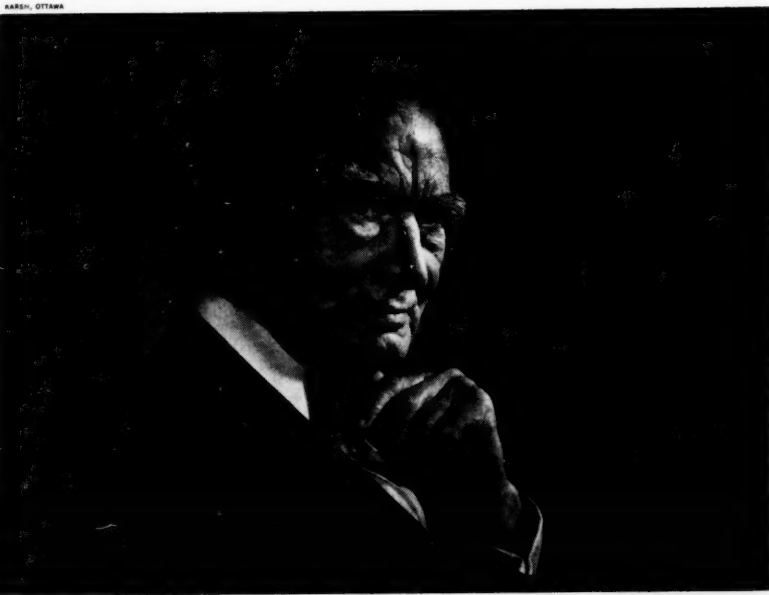
THE kind of philosophy that Herman Duval expresses so well is not at all unusual among the representatives of Northwestern Mutual. It demonstrates that there is a difference among life insurance companies.

For these men have their sights set high. They are not in this work just to make a living. They want to help bring security to families in a world that can be frighteningly insecure.

And they realize that through Northwestern Mutual they have an unparalleled opportunity to do this. For this company provides the training and background a man needs to make his service to others most effective.

Moreover, this company, one of the largest, has an enviable reputation for low net cost. Dividends to policyowners have just been increased for the eighth consecutive year!

If you, or a friend, would be interested in learning more about our company services or its career opportunities, write: The Northwestern Mutual Life Insurance Company, Dept. 00, Milwaukee, Wisconsin.



Herman Duval, Special Agent, started his career with Northwestern Mutual in 1905. Still active in being of help to others, he was again among this company's leaders in 1959.

The NORTHWESTERN MUTUAL LIFE Insurance Company

"BECAUSE THERE IS A DIFFERENCE"

Peoria Sales Congress Has Stellar Card; Agents Urged To Keep Eye On Future

By WILLIAM H. FALTYSEK

A head-on collision between the life agents and their companies won't resolve the tendency toward tension between these two bodies, William E. North, New York Life, Evanston, Ill., president of NALU, told his audience at the Peoria sales congress, sponsored annually by the Peoria association. (The meeting traditionally follows the midyear gathering of the state association held the day previous.) There is great need for confidence and understanding, he added, "since there is no problem which does not concern both if it concerns either."

"There are people both in the home office and the field who do not recognize this fact. We must quit sniping at each other and give our attention to our communications—both ways." He advised the agents to let their constructive criticisms be known to the company so something can be done about any given situation. "Company officials are ordinary people, just like the rest of us. They want your ideas and welcome your suggestions. This creates more understanding. Otherwise, the policyholder may pay a higher price for life insurance, and he isn't going to like it."

Urges New Enthusiasm

Mr. North urged "new enthusiasm about old ideas," particularly in selling the benefits of life insurance, stressing its cash values. Terming the cash value of life insurance as the "outstanding economic invention of all time," the speaker wondered if "we have forgotten how to sell the positive side of life insurance? Do we take too much for granted and assume that everybody is sold on life insurance as property?"

"Quit damning mutual funds and other investment media and start selling life insurance. Force competition to meet us. They can't do it. Get back to selling the benefits of life insurance. Some of us may even be a little rusty in explaining these benefits. Life insurance men are falling down on the job and not fulfilling their obligation to the public if they don't reach the people who are being sold all kinds of plans financed with the 'buy term and invest the difference' philosophy," he declared.

Depreciates Rewriting

He went on to say that a "fantastic loss" is looming countrywide with the advent of making it as profitable to rewrite policies rather than "go out and do a job of creative selling." In 1958 alone, \$15 million of old business went off the books, he said. "Put ethics back in this business. If we have developed a new philosophy where it is perfectly all right to twist them out, change the law. At least, let's live up to the letter of the law if we can't live up to its spirit. People will wake up some day to the fact that we haven't kept our trust; they will see what kind of a job some of us are doing. Let's get back to the ethics which built this great business of ours."

On the subject of social security, Mr. North warned the life agents to keep a watchful eye on the "floor of security concept," noting that every election "we trade benefits for votes. If these benefits keep going up, the younger generation may some day get fed up and repudiate the whole thing."

As to socialized health insurance, Mr. North said this will run the same course that social security has run so far, if it is made part of the government program. "When benefits of a social nature become a substitute for self-reliance, something dangerous and tragic is happening to America. It is not enough to be against this trend. You must do something positive. Contact your legislators and be sure they understand your views. Talk up the doctrine of free enterprise at all times."

Government In Business

"Government in business is your problem, too. Bigger and more government programs are in the offing; we have already tax on tax to the point where the country has \$750 billion of interest bearing debt and other commitments on the books. Don't our children and grandchildren have some rights when they come to maturity instead of paying for the

'dead horses' we left them? Let's share a little of that 'remember the old folks' talk with remember the young folks," Mr. North advocated.

Turning to the latest federal tax on life insurance companies, the speaker called this a tax on thrift, "since the tax is not so much a levy on life insurance companies but on the people, because in a real sense the life companies are but groups of people banding together to protect themselves. Now there is talk of broadening the bill to double the tax. Did any of you try to help kill the present bill? Did you talk to your congressmen? The companies couldn't get together, and the politicians made use of the advantage and cut us right down the middle—the people who pay the premiums on life insurance."

Statewise, Mr. North pointed out that a lot of people don't even know that there are premium taxes and that in some states the insurance departments "do not get one dime of this money. We should see to it that our state insurance departments receive sufficient funds to operate properly."

Frank W. Hill, agency vice-presi-

dent Equitable Society, addressed the sales congress on "Get Excited!" He told his audience of a number of things about which to get excited in the life business. "Excited, you can change the whole course of your history. Tremendous amounts of business are being written and new companies are springing up all over. Since I entered the business, 720 new life companies were formed. You can get excited over the faith in you displayed by long established companies who are erecting new home offices or additions to handle your business."

"These are being built only for you—the agents—so they can be large enough to contain the staff and equipment to help expedite your selling of life insurance. We are getting ready for a lot more of your sales in the electronic age and the space age. Nothing, however, replaces the salesman. No 'high speed idiot' (electronic machine) can do your job."

Mr. Hill wondered, however if the agents are using all of their ability as much as they can all the time, noting that many government plans are being pushed today to provide for

(CONTINUED ON PAGE 31)

35 Years...

This month our Radio Station WSM, and its famous Grand Ole Opry, celebrate their 35th Anniversary.

For the many friends they have made for Shield Men and the many doors they have opened, our hearty congratulations and sincere thanks.



THE
NATIONAL LIFE
AND ACCIDENT
INSURANCE COMPANY
HOME OFFICE - NASHVILLE, TENNESSEE

Home Office Changes

Lincoln National Life

Andrew W. Wenning Jr., has been appointed an assistant superintendent of agencies.

State Farm Assurance

Officers and directors of this new member of the State Farm group are: Chairman Adlai H. Rust (chairman of

the other three State Farm companies); President, Edward B. Rust (president State Farm Mutual); first vice-president, Robert C. Perry (who holds a similar office with State Farm Life). Administrative head of the new company will be Marvin D. Bower, vice-president and secretary. He will be aided by Roland E. Nelson, assistant actuary, and Janice E. Greider, asso-

ciate counsel. Treasurer is Burnell H. Miller; vice-president is John D. Wool-edge.

Jefferson National

Thomas W. Wolfe has been appointed home office assistant superintendent of agencies. He was formerly agency manager for Bankers Life of Iowa at Decatur, Ill.

Knights Of Columbus

Supreme Director John W. McDevitt, Waltham, Mass., has been elected

deputy supreme knight, to succeed William J. Mulligan, Hartford, who has retired, but will continue as supreme master of the fourth degree. He has been a director since 1955 and is superintendent of schools at Waltham.

Bankers Life, Ia.



E. F. Bucknell

Earl F. Bucknell has been named executive vice-president. He has been vice-president since 1956 and a board member since 1957. Joining the company in 1930, he progressed through various positions in the actuarial department to become vice-president and actu-

ary in 1946 and helped develop the early group policies and practices used by the company.

Rex Farrier and Charles Farr have been named assistant actuaries, and David Hurd and Donald Krieg, assistant secretaries. Mr. Farrier joined Bankers Life in 1955; Mr. Farr in 1953; Mr. Hurd in 1954, and Mr. Krieg in 1954.

Michigan Life

A. Y. Beaupre has retired as vice-president and manager of the commercial A&S department. He has been in the insurance business for more than 42 years and joined Michigan Life in 1931. He will continue active as a consultant.



A. Y. Beaupre

INVESTORS SYNDICATE LIFE—Douglas F. Thornsjo has been named general counsel.

LONDON LIFE—J. A. Campbell, vice-president and chief actuary, has retired after 47 years with the company. A fellow of Society of Actuaries, he was president of Canadian Assn. of Actuaries and a governor of the society. He has been chairman of the joint committee representing Canadian Life Officers Assn. and Canadian Life Underwriters Assn.

CONSTELLATION LIFE has elected V. H. Monette, president of V. H. Monette & Co., manufacturers' representatives to the U.S. armed forces, a director. S. R. Dashiell, superintendent of agencies, has been promoted to vice-president in charge of agencies.

C. F. Wilcox has resigned as president and director of **PRESIDENTIAL LIFE** of Indianapolis. George W. Mott succeeds him. Robert O. Starrett is the new treasurer and administrative assistant to the president, and other elections include Daniel C. Dignam as vice-president and agency director; Everett M. Varner, secretary.

MIDWESTERN UNITED LIFE of Fort Wayne has appointed William B. Lynn national sales manager of the professional college division, not Roger Church as was incorrectly stated in a previous issue.

EXCELSIOR LIFE—G. P. Thomson, general manager, has been named to the board.

LAMAR LIFE has named Sam G. Shackelford vice-president. He has been associate agency director since 1957.

For our field force . . .



Home Office Liaison

At Bankers Life of Nebraska, close personal contact between top home office executives and the field force is the rule rather than the exception.

The company president, as well as the officers in charge of agencies, travel more than 25,000 miles a year to maintain their schedule of calling on each agency at least every two years.

The officer in charge of Underwriting follows a similar schedule . . . and the Education and Training Department averages three in-the-field training sessions a month.

This extra measure of personal contact with the field is one of the many ways in which Bankers Life of Nebraska provides assistance and incentive to its field force.



BANKERS LIFE OF NEBRASKA

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...and how to get to him

He's young. Married. Three kids. Good health. Steady job, average pay. There are millions of him. He's the big Middle Income life insurance market.

But he's a tough sale for most agents. They can't get to him. Mostly, they can't afford to.

Who can? What kind of agent does it take to handle this man's business?

It takes an agent who's already well compensated by selling auto and home insurance.

It takes an agent who already has a special

entree to these families. An agent who's already at home in their homes—and *expected* there.

It takes perhaps an agent who settles an *auto* claim for one out of three of them every year, and has many a golden opportunity to bring up the subject of life insurance.

It takes just this kind of agent. And that means State Farm agents. They find it easy to call on the big life buyer. Regularly, they do. And they're thriving on it.



State Farm Life Insurance Company

Home Office: Bloomington, Illinois

Changes In The Field

Standard Security Life

V. I. P. Programs has been appointed general agent in New York, with Ben Wolper as chairman and Arthur Goldblum as president. Mr. Wolper heads the Danzig, Rieders & Wolper agency. Mr. Goldblum, a CLU, has been manager for National Life of Vermont at New York, and before

that was assistant manager for Mutual of New York. He is a past director of the Queens branch of New York City Life Underwriters Assn.

Hartford Life

Kincade & Co., Boston general lines agency, has been appointed general agent. C. E. Kincade is president of

the agency, which has offices at Portland, Me., and, in Massachusetts, at Worcester, Cambridge, New Bedford and Shirley.

Union Mutual Life

Spahn W. Milner has been appointed manager of a new agency at Atlanta. He has been supervisor of agencies of Acme United Life for Georgia and before that was with Connecticut Mutual Life.

Security Mutual Of New York

P. J. Cichanowicz has been appointed

general agent at Rochester, N.Y., to succeed Simon Feldman, who has retired. Mr. Cichanowicz has been district manager at Rochester for Equitable Society.

John Hancock



Vincent C. Bowhars

Named general agents at Buffalo to succeed Edward R. Erickson, who will relinquish his management duties, Nov. 30, are Vincent C. Bowhars, assistant general agent at the Erickson agency, CLU, he has been with John Hancock since 1948.

Alvin E. Katz also an assistant general agent at the Erickson agency. He is a life and qualifying member of Million Dollar Round Table and past president of Niagara Falls Life Underwriters Assn.

Charles S. Tautkus, assistant gen-



Alvin E. Katz



Charles S. Tautkus

eral agent in charge of the Buffalo agency's unit at Olean and before that of the agency's unit at Batavia.

The Erie unit office has been made into a general agency with Francis J. Yorio as general agent. He has been assistant general agent in charge of the Erickson agency's unit there and earlier, of the Olean unit.

Manufacturers Life

T. H. Martin, brokerage assistant at Los Angeles, has been appointed brokerage manager at the Chicago branch office. He is a CLU.

Life Of North America



Arcilio Alvarado Jr.

Arcilio Alvarado Jr. has been appointed manager at San Juan, P. R. He has been associated general agent there for John Hancock.

Occidental Of California

John T. Turner has been appointed general agent at Vancouver, Wash. He starts his own agency after three years with Occidental as a representative in Salt Lake City. He entered the business in 1954 and has been with Western Fidelity and Washington National.

Prudential

Benjamin Zuckerman, manager of the Coral Gables, Fla., district, has been promoted to director of agencies for the western Ohio region with headquarters at Cleveland; he succeeds E. C. Feldhaus, who has been appointed manager of the Scioto district at Columbus, O., replacing P. J. Gainer, who has been named to succeed Mr. Zuckerman.

Robert C. Drake has been promoted

Playing Alone?



A lot of home office people at Minnesota Mutual never get a chance to play solitaire. They're never alone. Too busy working with agents out in the field, showing them how our formula for successful life insurance selling works.

Here's the formula: ✓ The right combination of *organized* selling methods ✓ Thoroughly proven presentations aimed at selling life insurance to fit *specific* needs ✓ Dramatic and convincing visual aids that

We Also Write Health Insurance, Non-Cancellable, Renewable to Age 65

get a prospect's full attention ✓ A better-paying incentive contract for agents, incorporating an unusual combination of persistency fees for quality business.

With that formula our field force has put Minnesota Mutual into the top 4% in the industry. The "Star of the North" now has over \$2 billion of life insurance in force—the second billion written in less than five years—and we're well on the way to the third!

The **Minnesota**  **Mutual Life**
Insurance Company

Victory Square - St. Paul, Minnesota

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to district group manager at Minneapolis. He joined the group office there in 1957.

A. J. Siragusa, manager of the Tremont district in New York, has been transferred in the same capacity to the Inwood district there. He is a CLU.

Massachusetts Mutual Life



Chester Ledford

Chester Ledford has been appointed general agent at Columbus, O., to succeed R. L. White, who has retired. Mr. Ledford has been a manager at Kansas City for Provident Mutual Life. He has been a director of Kansas City General Agents & Managers Assn.

C. A. Guzzardi, assistant regional group manager at Chicago, has been promoted to regional group manager for the north central area, to succeed D. E. Brinkman, who has been put in charge of the newly established mid-central region with headquarters at the St. Louis group office.

Lincoln National

Clyde E. Teeter has been appointed to a supervisory post in the R. A. Hilliard agency at Asheville, N.C.

Life Of Virginia

G. M. Wright Jr., associate manager of the Richmond #1 office, has been named manager of the #2 office to succeed D. W. Dodd, who has been appointed associate manager of the #1 office. Mr. Dodd is past president of

the Richmond CLU chapter and Richmond General Agents & Managers Assn.

R. W. Clarke, formerly with the #1 office, has been appointed associate manager of the #2 office.

G. H. Fletcher Jr., associate manager of the #1 office, has been appointed a field training supervisor.

SENTRY LIFE of Stevens Point, Wis., has appointed M. H. Makhholm assistant general counsel. He already holds that position with the parent Hardware Mutuals.

Republic Natl. Publishes Agency Law Handbook

An Agency Law Handbook has been published by Republic National and copies are available upon request.

Edited by Barry L. Oakes, executive vice-president, the book reports legal rulings pertaining to agencies, including the definition of an agent; material on creation, duration and termination of agencies; authority of the agent and limitations of his authority; duties of agent to insurer and to insured; and the criminal liability of the agent.

The book also contains information on agent's compensation and commissions and a summary of state license laws.

HIA Appoints Miss Mabry Administrative Assistant

Health Insurance Assn. has appointed Carol Mabry administrative assistant. With HIA since 1956, she has been secretary to Paul M. Hawkins, Washington counsel, and in charge of the business operation of the Washington office.

Continental American Life Increases Dividend Scale

Continental American Life has increased its dividend scale, effective Jan. 1.

The new scale will increase 1961 dividends 16% over what they would have been had the scale remained the same as the one in effect during 1960.

When expressed in terms of total annual dividends to be paid in 1961 against those paid in 1960, the increase is some 23%.

The interest rate allowed on settle-

ment options, pension funds and dividend accumulations has been increased from its former 3% to 3½%.

Herald Life Open For Business

Herald Life, a wholly-owned subsidiary of Independent Life & Accident, has opened its first office—at Richmond, Va. Like its parent company, it will operate in the combination field, offering a complete line of ordinary and weekly premium policies. John R. McHenry, with Independent L.&A. since 1946, is manager at Richmond.

\$90,000

on a non-medical basis?

Yes! This is just one example of what the Ohio National Life agent can do with the Company's new higher non-medical limits and the Guaranteed Purchase Option.

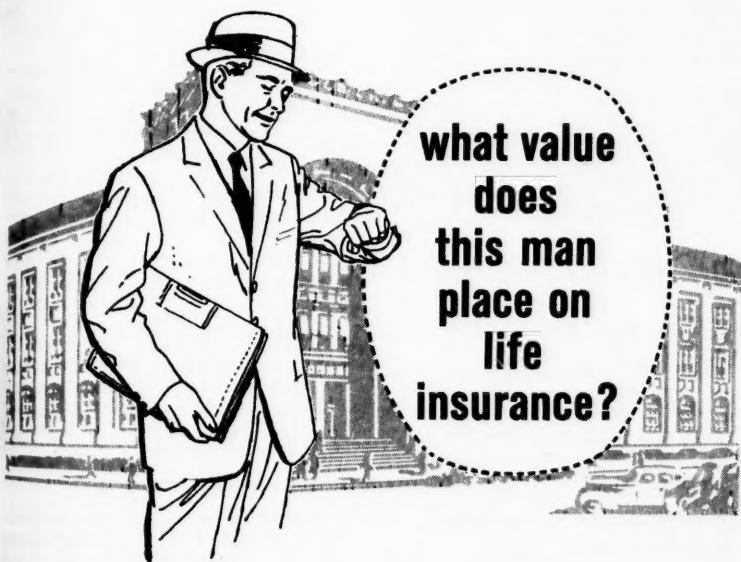
The \$90,000 illustration applies to an applicant age 10 to 15. However, the new non-medical amounts are equally attractive at other ages too. The following can be sold at ONE time, on ONE application (and, of course, increased substantially through the use of the Guaranteed Purchase Option):

Ages	New Amounts ONLI Agents Can Sell Non-Medically
0-4	\$10,000
5-9	15,000
10-25	30,000
26-30	25,000
31-35	15,000
36-40	10,000

Ohio National Life agents have earned the right to high limits through their responsible and intelligent use of the non-medical privilege. The new amounts are a compliment to them and to progressive home office underwriting.



THE **Ohio National Life**
INSURANCE COMPANY - CINCINNATI
A MUTUAL COMPANY



The answer in part may be seen in the amount of life insurance he himself owns — More than \$100,000 — or in the amount he sells — over three quarters of a million dollars per year.

Who is the man? He is the composite of Fidelity's 75 leading producers for last year.



**The FIDELITY MUTUAL
LIFE INSURANCE COMPANY**
PARKWAY AT FAIRMOUNT AVENUE, PHILADELPHIA, PA.

Asks For Field-Home Office Liaison Group

(CONTINUED FROM PAGE 2)

industry who command greater respect or who are more conscientious or more dedicated, I would like to be introduced to them," he said. "But the fact remains that the field forces feel they have been completely let down. And they have a sense of absolute frustration.

"During the past year, three major group explosions have occurred in California, Wisconsin and Texas. These explosions have not been perpetrated

by the feeble-minded or the lunatic fringe, but have been participated in by some of the most responsible general agents and managers in the country and by prominent CLUs and members of the Million Dollar Round Table.

"These field men feel that there are certain aspects of our group insurance merchandising that will ultimately undermine the American agency system—whatever that may be—and that the companies, their field forces and

the public will be the ultimate losers.

"By the same token, there is a substantial amount of disagreement among the companies also. Some believe there should be no limits, others state they are still committed to the 20/40 formula. Some believe there are times when no commissions should be paid to an agent but that the premium should always be loaded for commissions.

"Some companies do not believe association group is in the interest of either the company or the public, others are aggressively going after as-

sociation business. A common interest in Bible-reading would sometimes seem to give a group sufficient cohesiveness to warrant writing group coverage. Sometimes one wonders if we have gone nuts over volume, with utter disregard for either prudent underwriting or field morale.

Relax And Enjoy It?

"Now, where do we go from here? Shall the field forces just yield to the inevitable—relax and enjoy it while we may? Or shall we continue open warfare until the entire field forces are demoralized? Or shall we try to reconcile our different points of view through a jointly sponsored program of mutual education?"

Mr. Schriver said he didn't know what the true merits are with respect to the entire group situation. It may be, he said, that the field position has been unrealistic and untenable. It may be that the bellwether companies have been arbitrary and that the welfare of the field forces has been a secondary consideration. But both segments should make an effort to improve communications and arrive at a solution that is good for the whole industry.

Are Mutually Dependent

"This one thing I do know," he continued. "It is important that we recognize the mutual dependence of the field forces and our home offices. With this in mind, I am concerned about what seems to be a continuing decline in field morale."

Mr. Schriver said that whether soundly based or not, this condition seems to stem primarily from high group limits, association and franchise group, direct-written group, financed (bank-loan) insurance, plus other irritations that seem to be caused by unilateral or arbitrary actions on the part of the companies, without sufficient notice or orientation.

The speaker said there is another facet of the life industry that needs some re-thinking and reappraisal, and that is the industry attitude toward permitting life agents to sell mutual funds, on which currently there is a wide difference of opinion. A few prominent and highly respected companies forbid their agents to sell mutual funds, while "at least two good companies" sell both life insurance and mutual funds, he pointed out.

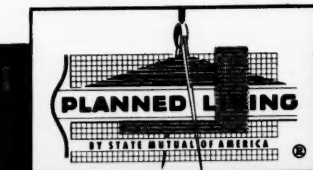
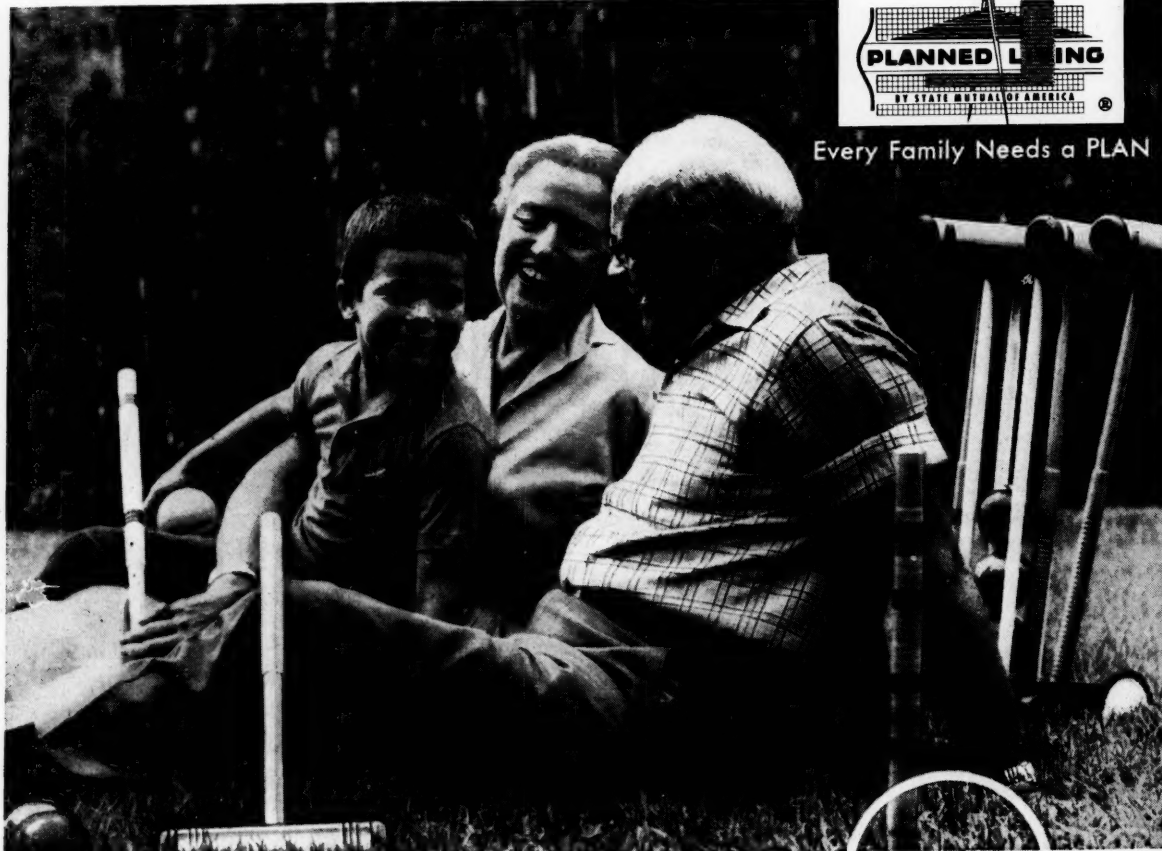
In the field, at least one large local association (Syracuse) has chosen to deny membership to any agent who also sells mutual fund. That presents a problem, since it affects qualifying for the Million Dollar Round Table and for the national quality award.

Is Denying Membership Right?

"Should a man be denied membership in either of these groups because of a local association rule that is not subscribed to by a majority of other associations?" asked Mr. Schriver. "Or should he be allowed to join any association if he otherwise qualifies? Can a man be dually licensed and remain respectable? Or are we setting up false standards? Does the industry have an opinion? Should it have? Or should we consider mutual funds a passing fancy that will go away if we just ignore it?"

After discussing the dangers of further expansions of social security, Mr. Schriver closed his talk with an eloquent plea for a greatly expanded and intensified fight by the life insurance industry against further inflation, calling it "the most insidious and inescapable involuntary tax ever known to man."

This full page advertisement, sixth in a series during 1960, is aimed at a combined circulation of 4,780,000 in TIME, NEWSWEEK and U. S. NEWS & WORLD REPORT.



Every Family Needs a PLAN

Will You Have Enough Income to Enjoy Retirement?

State Mutual's PLANNED LIVING Insurance Says 'Yes'

Many people retire without properly planning for it — and with barely enough income to make ends meet. That's why an additional *guaranteed monthly retirement income* with State Mutual's Planned Living insurance is such a good idea. With it, you can be sure of *enough* income to afford many of the 'extras' that make life easier and sunnier when you retire.

Planned Living works in many ways to protect you and your family. In addition to guaranteed

retirement income, Planned Living provides full protection for the family when you're in your working prime; continued income if you are disabled; money to help pay for sickness or accident; basic family protection in the event of death.

The Planned Living concept is exclusive with State Mutual of America, one of the nation's oldest and strongest life insurance companies. The man to see is your nearest State Mutual agent. Or write us here in Worcester, Massachusetts.



**STATE MUTUAL
OF AMERICA**

State Mutual Life Assurance Company of America, Worcester, Massachusetts

Founded 1844 • Over \$3 billion of Life Insurance in force • LIFE • NON-CANCELLABLE SICKNESS & ACCIDENT • GROUP

Investing Over \$2 Million Each Week for the Growth of American Enterprise



MAKING NEWS IS OUR BUSINESS—Every day, through the activities of its policyholders, Continental Assurance helps write a thousand happy headlines. • *Case in Point:* A little extra luxury for Ray Wilson. He just retired on a comfortable Continental Assurance Pension through his company. Now, the Annuity purchased years ago has matured, bringing in additional money for his hobby . . . exciting trips . . . a richer, fuller life. • Talk Continental with your own insurance consultant, your friend. In the vast and varied array of imaginative plans Continental Assurance writes for groups and individuals, you'll find the perfect program for you and your loved ones. Find out about Continental Assurance—one of America's truly great insurance institutions.

Over \$6 Billion
of Life Insurance in force

Continental Assurance

COMPANY

Chicago

A member of Continental-National Group

Appearing
in U. S. NEWS
and TIME . . . 1960

Editorial Comment

It Depends On Who Pays The Bill

In a chance remark at the recent annual conference of Council on Employee Benefit Plans in New York, Melvin A. Hansen of Cleveland Twist Drill Co. pin-pointed a problem which, if it isn't already, should be of growing concern to insurance companies engaged in selling group A&S coverages to American industry. This is the growing tendency among labor unions at bargaining tables to demand and win non-contributory plans for workers.

Mr. Hansen, general chairman of the conference, in his closing remarks to this group of employee benefit plan administrators from some 60 large companies representing a cross-section of U. S. industry, said that when his company's Blue Cross plan was available to workers on a contributory basis, whenever rates increased or threatened to rise, workers set up a hue and cry that could be heard from one end of the plant to the other. Recently, however, Cleveland Twist Drill's plan became non-contributory, and now when the local Blue Cross has asked for another rate increase, Mr. Hansen declared, "The place is as quiet as a tomb."

In other words, and this would apply to the plans of private insurers, when employees share the cost of a plan, a boost in rates hurts them and they react. When someone else is paying the bill, however, they are not inclined to do anything about it—whether to protest the increase or to preclude the necessity of a rate rise by keeping utilization to a minimum.

Although A&S insurers can and do adjust their rates upwards when over-utilization increases their costs of carrying a group plan on the books, generally speaking, they prefer the contributory plan. One insurance company cites as proof of this the fact that the plan for its own employees is contributory. Moreover, they say, workers have a greater appreciation for those things that they pay for themselves or have a part in paying for and cooperate better with an employer on claim control measures. They are quicker to learn what the plans offer

and what they don't offer, and are not quite so ready to demand more and more benefits when they are helping to foot the bills.

Over the long haul, of course, insurance companies, using the rate adjustment device, will come out about even, whether the A&S group plan is contributory or non-contributory. But a contributory plan, or so some members of the industry feel, lends itself to a greater stability in rates. Then, too, one company's experience has shown, it is sometimes easier to negotiate a rate change when two parties (management and labor) are involved and are sharing the cost of any rate increase.

Unfortunately, the tendency in collective bargaining agreements these days is towards the non-contributory plans. A union that is negotiating for a wage increase for its members will, for example, take part of it in A&S insurance, because at least that portion of the raise represents a non-taxable net gain. At the same time, management sees little difference between having to lay out more money for wages or the same amount for health insurance.

A few large companies are aware that the chances for over-utilization are greater in non-contributory plans than in contributory plans and that the dollar they spend today on A&S coverage may become \$1.10 much sooner than they anticipated when they signed their bargaining agreements. But these holdouts are rapidly becoming fewer in number with each passing year, as labor unions become more and more insistent upon having management assume the full cost of the plans.—W.M.

Personals

John D. Moynahan, Metropolitan manager in Berwyn, Ill., marked his 25th anniversary in that post as host to his staff and their wives at a dinner party at La Grange country club. He began in insurance with the com-

pany in 1922. He is a past president of NALU and of American Society of CLU.

Charles J. Rozea, whose promotion from assistant secretary and chief underwriter of North American Reassurance to vice-president and chief underwriter was reported in the Nov. 5 issue, has long been active in underwriting associations in the United States and Canada. He is a member of the executive committee of the Recording

Bureau, which acts as a clearing house for information about life insurance applications for large amounts. He has traveled extensively visiting life companies in the United States and Canada on behalf of North American Reassurance, with which he has been connected since 1924.

H. Bruce Palmer, president of Mutual Benefit Life, was the subject of the first in a series of "profiles" of leading New Jersey business men in the Newark Star-Ledger.

A. D. Anderson, manager at San Antonio for Occidental Life of California, has returned to his home after undergoing surgery at the Mayo Clinic.

Deaths

FRANK E. WILMAN, 86, retired superintendent of bonds of Northwestern Mutual, died. He joined the company in 1897 as a clerk in the loan department and rose to superintendent of bonds in 1919, holding that position until he retired in 1949. In 1943, Mr. Wilman handled the biggest transaction in the company's history when \$45 million of U. S. war bonds were purchased.

FRED C. EHRMANN, 73, general agent of Lincoln National Life at Grand Haven, Mich., from 1925 to 1926, died. Since his retirement as general

agent, he had been in personal production with the Shoup agency Grand Rapids.

JOHN F. KILLEBREW, 58, Nashville attorney and former associate general counsel of National Life & Accident, died as a result of a heart attack.

ANDREW T. SCHULTZ, 70, general agent for Western Life of St. Paul many years and a past president of Montana Assn. of Life Underwriters, died at Helena.

JOHN B. BOYER, 79, chairman of National Accident & Health, died in Philadelphia. He joined the company as general counsel in 1926, became president in 1942, and chairman in 1943.

Stocks

By H. W. Cornelius of Bacon, Whipple & Co., 135 S. LaSalle St., Chicago, Nov. 15, 1944

Aetna Life	79 1/2
American General	30 1/2
Beneficial Standard	14 1/2
Business Men's Assurance	38 1/2
Cal-Western States	44 1/2
Commonwealth Life	19 1/2
Connecticut General	38 1/2
Continental Assurance	15 1/2
Franklin Life	64 1/2
Great Southern Life	66 1/2
Gulf Life	18 1/2
Jefferson Standard	41 1/2
Liberty National Life	58 1/2
Life & Casualty	16 1/2
Life of Virginia	53 1/2
Lincoln National Life	205 1/2
National L. & A.	105 1/2
North American, Ill.	12 1/2
Ohio State Life	34 1/2
Old Line Life	58 1/2
Old Republic Life	17 1/2
Republic National Life	32 1/2
Southland Life	80 1/2
Southwestern Life	48 1/2
Travelers	87 1/2
United, Ill.	28 1/2
U. S. Life	39 1/2
Washington National	42 1/2
Wisconsin National Life	28 1/2

Seek Budding Actuaries In Mich. High Schools

MINNEAPOLIS—Insurance companies are now going to the high schools for actuarial talent, according to Twin Cities Actuarial Club members have been assigned to various high schools to work with teachers and students. But the long period of training to prepare for the actuarial examinations is an obstacle to the "recruiting" program, explained R. Jacobson, vice-president and chief actuary of Lutheran Brotherhood. "It's a poor man's profession," Jacobson said. "After graduation from college, the actuary-to-be usually has to work days at the insurance company office and study nights to prepare for the examination." Starting pay for college graduates is not as high as in some other fields, Mr. Jacobson said, but the future is more rewarding. Many actuaries become executive with insurance companies or consulting firms.

Seminar For First Year Men

Seventeen outstanding first-year representatives were honored by Bankers Life of Nebraska at a special three-day seminar at the company's home office. Along with the all-expense trip to Lincoln, each of the 17 earned membership in the Bankers Life president's club. Attending were men who had provided more than \$300,000 of new protection on 30 lives during their first year with the company.

THE NATIONAL UNDERWRITER

The National Weekly Newspaper of Life and A&S Insurance

Published by The National Underwriter Co.

EDITORIAL OFFICE

17 John St., New York 38, N. Y.
Tel. BEekman 3-3958 TWX NY 1-3080
Robert B. Mitchell, Executive Editor
William Macfarlane and Jud Higgins, Assistant Editors

CHICAGO EDITORIAL OFFICE

175 W. Jackson Blvd., Chicago 4, Ill.
Tel. WAbash 2-2704 TWX CG 654
John C. Burridge, Associate Editor
Richard G. Ebel, William Faltysiek and H. R. Cusden, Assistant Editors
Marjorie Freed (production) and Barbara Swisher, Editorial Assistants

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SUBSCRIPTIONS: 420 E. Fourth St., Cincinnati 2, \$7.50 per year (3 years, \$20); Canada \$8.50 per year (3 years, \$23); Foreign \$9 per year (3 years, \$24.50). 30 cents per copy, back copies 50 cents. CHANGE OF ADDRESS: Enclose mailing wrapper and Post Office form 3579 with new address, and allow three weeks for completion of the change.

Comments On The Insurance Field From The Investment Dealer's Chair

By LEVERING CARTWRIGHT

Cartwright, Valleau & Co., Board of Trade Building, Chicago

The pre-election and post-election surge in the stock market by-passed the insurance list. Professional trading continued at a quiet pace and was unaffected by split-second reappraisals of outlook that were being essayed in other types of equity. At least it can be said that the Kennedy era projects no particularized bogoblins for insurance. Especially in the absence of the implication of mandate in the election there is no evidence of the kind of popular ferment that would tempt political giant killers to get fat by attacking insurance. The same complex of forces affecting insurance stock values remains.

Third quarter results in fire-casualty are generally drab. But this was expected and the official releases haven't jarred the market. The market adjustments apparently were made beforehand under the impact of Donna, a faltering stock market and the general report of sorry surety experience. And now there is hope that fourth quarter earnings might be favorable. For instance Continental Insurance made its low of 44% before the third quarter report was released and the stock moved up when the uninspiring figures came out, closing Friday at 48%.

New Amsterdam Casualty stock stabilized around 54 when the management recommended a merger program with Home. This calls for one Home share for one NAC, but after a 10% stock dividend by Home. So with Home at 59, the arithmetic suggested 54 or so for NAC. Recent acquisitions have been worked out on the basis of matching liquidating values, with credits or debits for certain elements of inequality between the companies concerned.

Home and NAC (allowing premium reserve equity in wholly-owned U. S. Casualty) each had liquidating values by comparable formulas at Dec. 31, 1959 of about 96. However, the age problem in the NAC staff couched with the absence of a pension scheme was a debit. On the plus side is the very large income tax credit of NAC and especially from Home's standpoint is NAC's New York head office real estate at 60 John Street.

Security's position is ambiguous here. Its proposed offer of 1 1/4 of its shares for one share of NAC has not been withdrawn and in the meantime Security's stock has run up from about 50 to 57. So on a market basis such an offer would look like \$70 for NAC. Security stock is selling above Dec. 31, 1959 liquidating values. This illustrates the market disparities when trading at liquidating value between a so-called discount issue and a premium issue. Security probably will just stand by awaiting developments, a jilted suitor—temporarily at least.

The Commercial & Financial Chronicle of Nov. 10 has an article "The Uneasy 1960 Courtships and a Merger." This deal with NAC vis-a-vis F&D, Security and Home, and also with Mass. Bonding in relation to State Mutual Life and subsequently to Hanover. It was written while the Home-NAC possibility was still unconfirmed.

Mass. Bonding stock recovered about 3 points from its low of 33 1/2 which it reached on the announcement that the Hanover deal was off. Such a merger involved technical difficulties. Hanover could not have owned 80% or more of Mass. Bonding without exceeding its statutory investment limits, so there would have had to have been an outright consolidation.

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Life insurance stocks developed much strength this week. For instance, Jefferson Standard was up 4 points, Aetna Life up 4, Travelers reached 90 and Lincoln National was up 8. A very flattering article in Barron's was partially responsible.

Life stocks continue in a rut for the most part. Security Life & Accident moved up 3 points on the announcement of a proposed 25% stock dividend. Standard Life of Indiana found favor on the announcement that an extra dividend of 25 cents would be paid. Lincoln National recovered about 15 points, Continental Assurance sagged a bit after a runup, although many are watching this one for the possibility of something good for stockholders in connection with its 50th anniversary in 1961. Travelers continued in good demand and at one time stretched its lead over Aetna Life to more than 8 points. Conn. General remained strong. Great-West and Crown Life were in demand. Some buying developed in National Old Line and in North American Life, improving the market in each a point or so. Jefferson Standard perked up.

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Incorporated Investors during the three months ended Sept. 30 sold 21,000 shares of Aetna Life and 36,000 shares of National L&A, and 3,500 Travelers.

Delaware Fund made new commitments in several insurance issues—27,000 shares of American Insurance, 15,000 shares of Continental Insurance, 4,000 Great American, 7,000 North America, 22,500 Maryland Casualty, 6,000 Standard Accident and 800 General of Seattle.

Broad Street Investing sold 4,000 Crum & Forster and bought 5,000 Fireman's Fund. Lazard Fund bought 1,000 General Reinsurance.

Investment Co. of America sold 5,500 Maryland Casualty and the George Putnam Fund sold 4,800 National Life & Accident and 10,000 Northern Insurance.

Barron's in its Nov. 14 issue features an article by Rodger W. Bridwell captioned "Life Insurance Stocks—in a Risky Market, They Offer Some Protection." The author thinks the favorable influences both short and long range outbalance the headaches. The latter center around growing competition. He charts eight companies, and estimates 1960 earnings considerably above those of 1959. Using an earnings adjustment factor of his own he states the 1959 adjusted earnings of Aetna Life to be \$8 and estimates the 1960 figure at \$9.50. Comparable figures for Conn. General are \$31.10 and \$36.35; Continental Assurance \$7.25 and \$8.45; Franklin Life \$4.80 and \$5.30; Jefferson Standard \$4.65 and \$5;

Lincoln National \$15.50 and \$17.75; National Life & Accident \$7 and \$7.90 and Transamerica \$2.25 and \$2.30.

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Value Line Investment Survey came out Nov. 14 with a strong plug for National Old Line.

John C. Legg & Co. has published a study on Variable Annuity Ins. Co. This is the first publicly owned company of its type. They predict that VALIC will be in the black by 1962 and that the adjusted earnings should be \$1.50 per share in 1965. Premium income by then should be \$25 million. J. C. Legg concludes that the need for the product is there, the capital is there and the management is there. The stock was offered to the public earlier this year at \$12 and is now available at \$9.

The annual report of the corporate information committee of National Federation of Financial Analysts Societies contains 11 pages on stock life insurance companies prepared by the committee headed by Evan L. Ausman of Chicago.

William H. Tegtmeyer & Co., Chicago, has put out a study of recommendations on Franklin Life that was prepared by Joseph E. Hart.

Grubbs Drops W.O.W Show-Cause Order

LINCOLN, NEB.—Director Grubbs this week dismissed his order for Woodmen of the World, Omaha, to show cause why its license should not be revoked.

Director Grubbs said, "I have reason to believe that the present cooperative attitude of the officers and directors of the society will continue. The department wishes to evidence its belief in the good faith being shown by the officers and directors."

Most of the changes he sought have been made, the director stated. Some of these required membership approval and have been referred in writing to the society's members for their action. Also, W.O.W.'s plan to move to another state has been dropped.

Noting that the society will have its regular periodic convention examination by departments of all states next year, Mr. Grubbs said, "I am confident that it will now come through this examination with flying colors and that this department and the citizens of Nebraska will be well justified in our show of confidence and pride in this leading fraternal society."

Equitable Of Ia. GAs Hold Annual HO Meeting

General agents of Equitable Life of Iowa held their annual conference at the company's home office.

In his keynote address, President James H. Windsor reported on a number of extensive studies completed during the past year, each pointing toward continuing expansion and improved efficiency in the company's operations. J. Richard Ward, vice-president and director of agencies, as general chairman of the conference, introduced the various "planks" designed to implement the company's 1961 program, and the entire two and one-half day conference was devoted to considerations of the "planks" by both field and home office personnel.

Primary emphasis was placed on expansion of present agencies through development of a stronger second-line management staff and the establishment of new agencies in areas where the company is not now represented. Other developments announced during the meeting included new sales aids, an accelerated training program for career agents, and liberalizations in the company's plan for financing new agents.

Ind. Insurers To Merge

Stockholders of American Public of Indianapolis have approved a merger into First United of Gary. American Public Life will drop its name and its stock will be exchanged for First United on a three for one basis. The merger was approved by 170,000 of the 200,000 outstanding shares.

New Kansas Handbook Now On Sale

A new Underwriters Handbook of Kansas has just been published by The National Underwriter Co. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance throughout the state. Copies of the new Kansas handbook may be obtained from The National Underwriter Co. at 420 East Fourth Street, Cincinnati 2, Ohio. Price \$12.50 each.

Three-Quarter Individual Life Sales Of Mass. Mutual Exceed \$750 Million Mark

Massachusetts Mutual sold more than three-quarters of a billion dollars of new individual life insurance during the first nine months of 1960.

Group life insurance sales totaled \$132 million to bring the combined volume for the nine-month period to nearly \$900 million. Total estimated premiums from all types of group business in force increased \$10 million to a total of more than \$71 million.

Mich. Fraternal Congress Names Brooks President

Henry Brooks, Lansing state manager for Modern Woodmen, was elected president of Michigan Fraternal Congress at its annual meeting in Lansing.

Other new officers are Ernest Krieger, Saginaw, 1st vice-president; Mrs. Ruby Sewall, Flint, 2nd vice-president, and William Hayward, Birmingham, secretary-treasurer.

John Dressler, Battle Creek, was named president of Fraternal Insurance Counselors, which held its meeting in conjunction with MFC. Other officers of FIC are Oscar Kreiger, Lansing, vice-president, and Arthur Black, Freeland, secretary-treasurer.

Wins Landscaping Award

Southland Plaza, the three-quarter-acre landscaped park area where the Southland Life home office is situated, has won an award in the annual Industrial and Institutional Landscaping and Beautification competition of American Assn. of Nurserymen. It rated one of the 12 "plant America" industrial awards. The plaza is landscaped with trees, shrubs and seasonal plantings, grouped around a sculptured metal screen and two reflecting pools, one of which cascades into the other.

Homesteaders Life leading agent during October was Clayton Wallace of Des Moines.

Standard Security Life has been licensed in Louisiana and Oklahoma.

What General Agent Wants From Company

(CONTINUED FROM PAGE 5)

which analyze the agency's and the company's results, detailing important figures on such things as new business, new premium income, business in force, total premium income, persistency data, important information on term and term conversions, and other helpful statistical data.

Finally, Mr. Bates wanted a sounding board for review. He asked that once a year, when an agency depart-

ment officer was to visit his agency, they could spend a day on a complete review of the agency's plans, methods and results.

Sent Agenda Ahead

"I sent an agenda with all supporting data in advance of the visit," he recalled. "This then became a meaningful home office visit spent in a constructive way. We didn't spend any time putting out fires. We spent it on

the future because we had planned it that way."

Regardless of the magnitude of the market in the decade ahead, Mr. Bates predicted it would be a more demanding market, with better educated buyers who are becoming much more discerning. There are more sellers competing for their dollars. The big opportunity, he said, lies not in drastic product or price changes but in doing a better job of selling and service. He quoted one writer as saying, "Consumers are crankier."

"Well," said Mr. Bates, "they are

crankier, and they have a right to expect better performance of us, just as well as of industry in general. So the little question in my mind that is the biggest challenge will be to do better what we are now doing, and certainly the foundation of better performance is better planning."

Growth Study Committee's Work

Describing Connecticut Mutual's growth study committee and its work, Mr. Bates said it was set up because the company wanted to know the rate at which the company could afford to grow as well as the most economical and efficient rate at which it could grow. Related to this, of course, was how many new agencies should be opened, how many new agents should be recruited, which territories were the most favorable to growth, and whether changes would be necessary in the agency organizational pattern to achieve the growth the company felt to be desirable.

Various initial assumptions were made as to population growth and other pertinent factors, then each department head was asked to submit a detailed report to the committee, covering not only the historical data of work units, personnel requirements and the like, but a projection for five years. Reports are updated annually to reflect changes in the initial projections. In the two such updates since the committee's inception, the revised versions have been "amazingly close" to the original projections, said Mr. Bates.

Better Understanding Resulted

The first result was to foster interdepartmental communication and understanding as never before. The second was to prompt every department head to take a very careful look at his operation. For many it was probably the first time they had ever put down in writing the functions of their departments in relation to the total company operation, the projection of their work load, the changes in work methods and systems, the special factors in the operation of their departments and the possible effect of electronics on their departments' operations.

A third important benefit is control. The data projected in the reports have provided a sort of automatic check against "empire building."

Fourth, the company has developed a known expansion program that to some degree is self-propelled or self-motivated. With good communications within the company, everyone has committed himself publicly to what he can do as the growth takes place.

Publicized Commitments Powerful

"From personal agency experience I'm well sold on the tremendous value of publicized commitments," said Mr. Bates. "You live up to what you say you will do in direct ratio to the number and importance of the people to whom you are committed. In a sense, our agency department is committed to all other departments to generate a certain rate of growth in sales. All other departments in turn are committed to efficiency and good cost control as the growth occurs."

Fifth, planning for growth is an unsurpassed way to develop future top management personnel. By careful rotation of committee memberships, those officers who in due time will occupy key positions in the company gain a detailed knowledge of all department functions. There is no experience, short of actually working in each department, that provides such an opportunity for developing in these

officers the point, Mr. Bates said.

The management intensified, acute by management good. The already paid in in "Every the problem successful fi commission Mr. Bates complex I opment of now have attract in

New York Indemnity Carrier

New York triple in benefit, with indiv Triple payable u those app double in double no is limited cidents. For hold York life crease the policies, th suing new death ben and five t new polic amount of icies alrea the total involved.

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officers the over-all company view-point, Mr. Bates opined.

The problem of developing future management teams is going to be intensified, he pointed out, and will be acute by about 1970 if predictions of management consultant firms hold good. The life insurance industry is already handicapped by higher salaries paid in industry generally.

"Every one of you has experienced the problem of trying to move a successful field man from his growing commission income into the less flexible home office salary schedule," said Mr. Bates. "Our best solution to this complex problem is maximum development of the management talent we now have, along with that which we attract in the future."

New York Life Has Triple Indemnity Without Common Carrier Accident Limit

New York Life has introduced a triple indemnity accidental death benefit, which is being made available with individual life policies.

Triple indemnity benefits will be payable under the same conditions as those applicable to the payment of double indemnity benefits. Neither double nor triple indemnity coverage is limited only to common carrier accidents.

For holders of previously issued New York life policies who wish to increase the indemnity benefit on their policies, the company will consider issuing new policies with accidental death benefit coverage of three, four and five times the face amount of the new policy, provided that the total amount of ADB on the new plus policies already in force does not exceed the total face amount of all policies involved.

Mutual Benefit Continuing Dividend Scale In 1960

Mutual Benefit Life will continue its basic 1960 dividend scale for ordinary coverage in 1961. However, there will be increases for certain classes of life policies.

The most significant increase will be in dividends payable on pension plan policies. This increase will reflect for pension trust policyholders the tax savings under the life insurance company tax law of 1959.

The dividend distribution for 1961 is estimated at \$32.6 million, an increase of \$1.5 million.

In addition, the interest rate credited on dividend accumulations will be raised to 3.5% up from 3.05%. The interest rate on settlement options will be raised to 3.65%, up from 3.2%.

Equitable Of Iowa Will Raise Dividend Scale

Equitable of Iowa will increase its dividend scale, effective Jan. 1, and, as a result, will pay out 14% more in dividends next year than it will have by the end of 1960. The increase will vary by policy and age of policyholder and will apply to almost all plans.

The rate of interest on funds left with the company will be increased to 3½%, effective on the 1961 contract anniversaries.

Hear Department Investigator

Joseph L. Agnes, chief investigator, explained the procedures of the recently established investigating division of the Wisconsin department at the October meeting of Health Insurance Underwriters of Milwaukee.

See Big Industry Role In Providing Health Care For Retired

(CONTINUED FROM PAGE 2)

tages in prefunding retirement health benefits. The cost is greatly reduced—sometimes as much as a third—because of interest earnings, and cost may be allocated to the working years where they belong. One of the factors tending to slow the development of prefunding has been the absence to a ruling on the tax status of these funds. He suggested that this may be the time to seek clarification of the tax status under present regulations or, if necessary,

amendment to the tax laws.

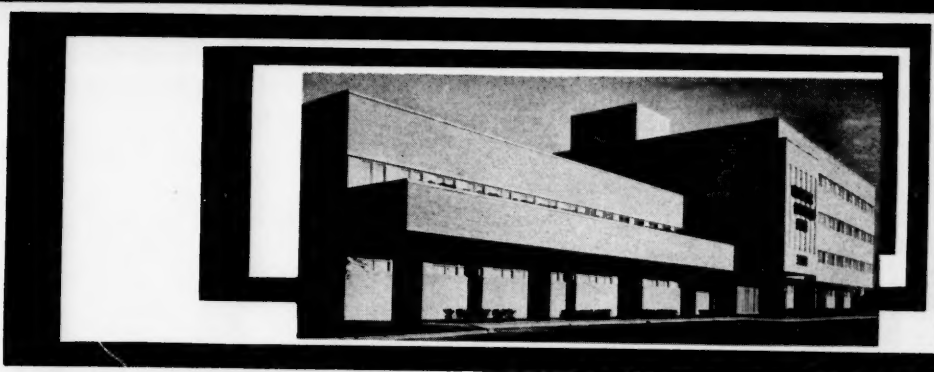
Mr. Miller said he had no doubt that employees want the security of retirement health benefits. "While they may not deliberately seek to have the government provide these benefits, they will not turn away from the government unless private voluntary efforts are successful in meeting this need as they see it. They may not appreciate cost factors involved or the complexities of health care and health insurance.

"Nor, do they see the inevitable

extension of any general governmental program," he said, which may start with the aged and expand to every form of medical care and into a universal, governmental system of care for everyone, resulting in ultimate replacement of private medicine by public medicine.

A specific retirement insurance program was outlined by E. D. Starkweather, North American Aviation, whose plan is now benefiting about 4,000 of the company's 70,000 em-

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ployes. The North American retirement program includes not only medical and surgical coverage but also pre-retirement counseling. The latter commences when the employee reaches age 55 and continues until normal retirement at 65 or automatic retirement at 68. During this period the employee receives appropriate literature and is interviewed. Employees at this time are urged to avoid long term instalment buying and to make every effort to liquidate all debts.

Cost of the medical coverage is shared with the retiree, who pays

\$5.50 per month for himself and \$13.50 for coverage for his family, Mr. Starkweather explained.

Gives Labor Viewpoint

The view of organized labor was presented by Mr. Pollack. He lauded the many companies which have set up health programs to cover their retired employees, however, he said that it is inappropriate to saddle the employer with all of the burden. He favored a split-level system in which the government and private industry through voluntary plans share the load. This would

be supplementary participation by government, not unlike existing programs embracing unemployment compensation and pensions in which both government and private industry have a hand in. Specifically, "the use of social security would appear to be in order," he declared.

Criticizes Present Program

Mr. Pollack was critical of the existing health care program for the aged, saying that "emphasis on individual need runs counter to centuries of effort to move away from the means

test." The proper approach would be one based upon presumptive need.

The controversy over Forand-type legislation demonstrated a "remarkable reversal of the traditional liberal and conservative positions," he noted. Labor normally favors a progressive tax while conservatives prefer regressive measures. This issue, however, finds the conservatives in favor of paying for health care out of the general revenue, while labor supports the regressive social security tax, he commented.

Asked if he espoused socialized medicine as practiced in Britain, Mr. Pollack replied that labor opposed the British system as being inconsistent with American tradition.

The role of industry in health care for the retired evolves around both moral and economic reasons, Mr. Stuart said. Morally, it has the obligation "to prove that our way of doing things is best." The economic consideration is that industry will pay the major share of health care costs, either through voluntary means or through taxes. Voluntary prepayment is the most economical method, he declared, because it puts control over costs with the community agencies where it belongs.

There is no question of forestalling government action in the health insurance field because the government has already taken action. Both parties are committed to a program for health care for the aged, and they differ only in devices. "The question now is how to implement government and cooperate with it in the areas of responsibilities it is now in the process of assuming," he declared.

Government action, Mr. Stuart said, has not taken the pressure off prepayment plans. The government may provide a floor of protection, but there will still be agitation to bring the level of protection for the aged up to the level of other groups. Industry will feel this pressure and must soon decide how it will respond to it, he said.

Assails Detractors Of System

Mr. Martin assailed the detractors of the voluntary system who sought to dissolve it because it covered only 70% of the population. If this is a valid reason for doing away with it, he said it would be just as logical to abolish democratic elections in this country because only 60% of those eligible voted. The fact that fewer than 100% of the people avail themselves of voluntary health insurance proves that the program is voluntary; those who don't want it don't buy it.

"We seek primarily and fundamentally to protect the freedom of the consumer and the supplier . . ." and this is represented by freedom of choice, he said. This freedom means a choice of whether or not to buy, a choice of plan, type and amount of insurance wanted, and a choice of insurer. These choices are generally denied under a "monolithic, governmental, compulsory, welfare program," he said.

Mr. Martin also criticized compulsory programs because they tend to freeze an initial pattern and become archaic, and, consequently, costly.

The voluntary plan is preferable because it works, it provides better solutions, is flexible, costs less, is compatible with the American way of life, and it is not compulsory, he declared.

N.A. Of Chicago October Sales Up

October life sales of North American Life of Chicago amounted to \$8,007,948. This was 17% above October, 1958.



Are you like Don?

Don Doecker had reached that all-important fork in the road of career progress. Well established as a field supervisor with eight years' experience, Don carefully considered the big decision . . . whether to continue in this post or seek new opportunity as the head of his own agency with another company.

His career choice: to become a general agent. His company choice: Midland Mutual.

"The deciding factor," Don explains, "was a powerful desire to manage and build my own business. I joined Midland because I was convinced that here was a company I could count on for the all-out backing I knew I'd need to achieve my career goals.

"And Midland has proved to be just such a company. In addition to a top-flight contract and generous financial help, they've provided valuable help in all areas of agency development—recruiting, training, supervision, sales promotion. Most important, Midland's Home Office people have plenty of 'Know-how,' understand the needs of the man in the field and give the close personal attention which means so much to the new general agent."

If you're like Don Doecker, you too have reached that "fork in the road" and decided to open your own shop. You're looking for an opportunity with a progressive company which offers a planned, success-proven program of agency-building support. In short, you're looking for Midland Mutual.

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Peoria sales congress program participants. From left: F. W. Hill, agency vice-president Equitable Society; Umberto A. Palo, Prudential, New Brunswick, N. J.; William Maibach Jr., Connecticut Mutual, president of the Peoria association; William E. North, New York Life, Evanston, Ill., president of NALU, and Frank Van Auken, Massachusetts Mutual Life, Peoria, general chairman.



Head table group at the CLU breakfast preceding the Peoria sales congress. From left: Paul R. Johnson, general agent Mutual of New York, Peoria; Charles W. Eliason Jr., vice-president Commercial National Bank of Peoria; Eugene E. Lashbrook, district agent National Life of Vermont, Decatur, and president Central Illinois CLU chapter, and Glenn E. Miller, general agent National Life of Vermont, Bloomington. (Story on page 13.)

Great-West Life Has New Dividend Scale

Great-West Life has a new and higher dividend scale for participating policyholders in the United States, effective Jan. 1, 1961. At the same time, the company reports a special scale of higher dividends will be applicable to pension trust and certain other policies. In addition, the rate of interest on dividends left on deposit with the company will increase to 3.75%.

The new scale of dividends represents a boost of 16% in the total annual disbursement for the United States, entirely apart from the normal increase due to the growth of business. The increase will also bring the total dividends for United States policyholders in 1961 to more than double the amount for the year 1955.

Merger Of Two Baton Rouge Life Companies Announced

The merger of Royal American Life and American Standard Life, both of which have home offices in Baton Rouge, La., was announced by William R. Alford, president of Royal American.

The combined operation will take the Royal American corporate title. For the time being, the home office will be in the Commerce Building, but a new home office is in the process of completion in the 3300 block of Florida Street.

Mr. Alford will continue as president of the surviving corporation.

Equitable Builds, Tears Down HO Mock-Up

Workmen have finished tearing down the \$175,000 experimental mock-up building which helped Equitable Society save from \$3 million to \$4 million on its new 42-story home office still under construction.

The full-scale, two-story "guinea pig" structure, built three years ago, was complete with lighting, plumbing and office partitions. With it, Equitable tested scores of materials ranging from doorknobs and venetian blinds to an outer shell of aluminum and glass for efficiency, economy and aesthetic appeal.

\$1 Million Saved

The architects of the new home office estimate that more than \$1 million was saved on the ceiling and lighting system alone. Other things tested included floors, interior walls, heating convectors, office layouts and colors.

Equitable officials said the mock-up helped them make decisions visually instead of having to rely on plans or scale models. Then, too, more accurate cost estimates from sub-contractors were possible, since they could experiment with materials and methods before buying in quantity. Also, Equitable found through tests on the mock-up that it would need less space than first planned for its 7,500 New York employees.

Originally scheduled for occupancy on Jan. 1, the home office building is at least six months behind schedule due to the steel and other local strikes.

RECOGNITION

IS THE DIFFERENCE



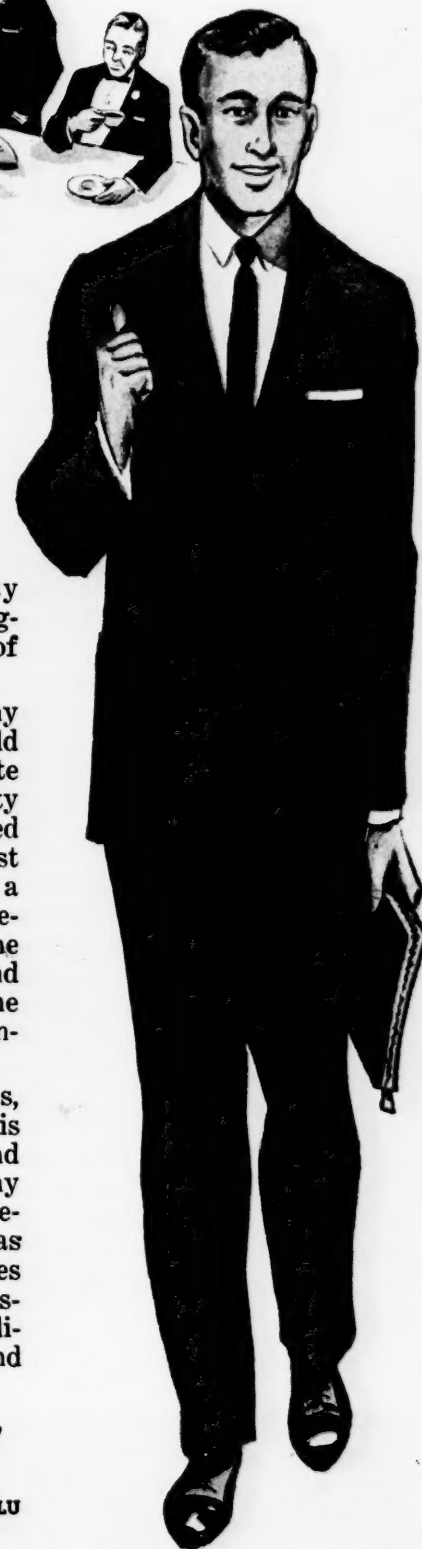
Expense paid trips to the most beautiful and famous resorts in the nation . . . generous contracts with vesting privileges . . . production clubs . . . and award winning advertising and publicity programs are but a few of the numerous ways Security Benefit Life gives recognition to the members of its field force.

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Marc F. Goodrich

MARC F. GOODRICH, CLU
Assistant Vice President



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Founded 1892 • Licensed in most states • Ranked in top 10% of life companies

Financed Insurance Attack Held Threat To All Policy Loans

(CONTINUED FROM PAGE 1)

knowledge of the subject that financed insurance represents a proper situation for the allowance of the interest deduction under section 163 of the internal revenue code, it is entirely likely that a protracted period of litigation will come first, in which all issues discussed today must be settled, said Mr. Arden.

"If our judgment is correct," he said, "we can expect to see a period of

three to five years of court tests, during which the decisions will see-saw in favor of Revenue and then the taxpayer. This will be a period when your policyholder or your prospect will ask questions—and the man with the answers will make the sales, if any sales are to be made at all.

"One thing we know for certain: The men who advise Congress on internal revenue taxation and the legislative tax counsel's office of the

Treasury Department are firm in their thinking that this method of owning and paying for life insurance is improper. They consider it an unintended benefit flowing to a taxpayer, resulting from loopholes in the law and they are out to stop it."

These men, Mr. Arden commented, are not political appointees. They continue on the job regardless of what party is in power. Hence the recent election may be expected to have no

effect on the Internal Revenue Service's attitude toward financed insurance.

Reviewing the Treasury strategy Mr. Arden recalled that in 1956 the Treasury sought legislation specifying that to borrow against a policy to purchase it and take a tax deduction on the interest was an unintended benefit. The Treasury recommended specific language and the House ways and means committee tentatively adopted it.

Quotes Language Of Draft

The suggested language read: "To disallow as a deduction any amount paid or accrued on an indebtedness incurred or continued to purchase or carry a life insurance policy, endowment or annuity, if the policy was purchased in pursuance of a plan of premium payments that contemplated that a substantial number of future premiums would be paid by means of such indebtedness."

"Had this language been enacted into law—and it would have been, had it not been for the Assn. of Advanced Life Underwriters—it would be my judgment that life insurance cash values today would be second-rate property," said Mr. Arden. "The AALU through repeated visits to the House ways and means committee and Senate finance committee members was able to persuade the congressmen that this attack was unfair and unwarranted."

Mills For AALU Stand

"This was primarily a matter of education, as one side of the picture had been presented and not the other. The comment made by Rep. Wilbur Mills, chairman of the subcommittee, is interesting in this connection. He expressed tremendous interest in the subject and said, 'I am impressed with three thoughts after hearing you gentlemen, and I feel that the committee should do nothing to prevent an individual from taking this course of action if he takes it for some reason other than profit—if he takes it for a legitimate reason.' Thus, the denial of the interest deduction was not included in the changes in the revenue code in 1956."

The next legislative attack was in the 85th Congress, which passed the technical amendments act of 1958. IRS again requested that Congress insert a provision that would have disallowed the tax deductibility of interest on policy loans made to finance the purchase of insurance, and after extensive consideration by the House and Senate committees, and intensive efforts on the part of AALU before the Senate finance committee, Congress again rejected the IRS proposal.

Moved Battle To Courts

Stymied in Congress, the Treasury turned to the courts. For two years IRS has sought to create a climate unfavorable to the interest deduction. Generally—though not completely—the cases decided in the last two years fall into two broad patterns, said Mr. Arden. These are financed bonds and

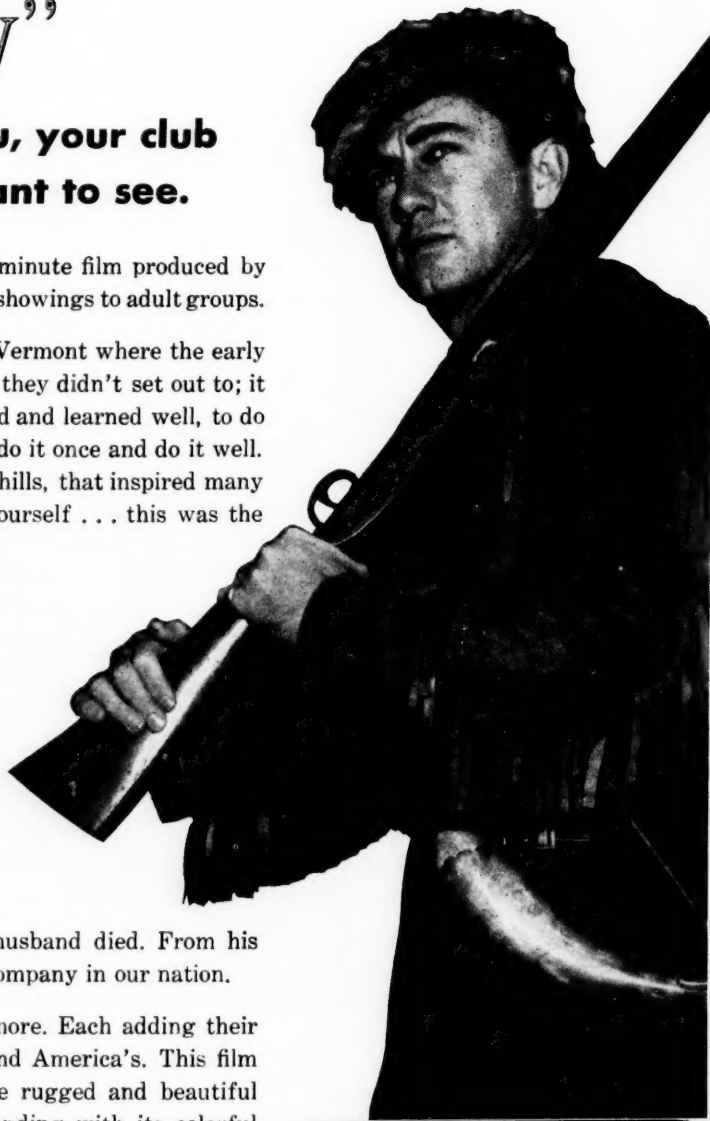
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This completely non-commercial, 28½ minute film produced by National Life of Vermont, is available for showings to adult groups.

It tells the story of the rugged state of Vermont where the early settlers learned a way of life. Chances are they didn't set out to; it was just a matter of survival. They learned and learned well, to do for themselves, to think a job through, to do it once and do it well. It was this philosophy, bred of the rugged hills, that inspired many turning points in man's history. Do it yourself... this was the way of life that inspired a blacksmith named Davenport to tinker with a magnet... and by tinkering, the electric motor was born. And, when this was teamed with Hartness' turret lathe, the world of machine tools was created. Then there was Thaddeus Fairbanks who, because he wanted to weigh a load of hemp, devised a system of weighing that changed the world's precision weighing habits. Doctor Dewey, the father of Admiral Dewey, was concerned with the future of those left in isolated homes when a father or husband died. From his concern grew the ninth oldest insurance company in our nation.

Green Mountain men all... and many more. Each adding their part to the legacy that is Vermont's... and America's. This film tells the story where it happened... the rugged and beautiful scenery of the Green Mountain State blending with its colorful people... all contributing to the impressiveness of this inspiring motion picture.



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financed annuities. There happens to be no internal revenue code section that would directly disallow the interest incurred to borrow money used for the purchase of bonds. Treasury regulations do not even explicitly define interest. The Supreme Court has stated that it is "the amount paid for the use or forbearance of money."

The major line of attack that the government has used in these cases is the contention that the payments do not constitute interest but are merely sham transactions serving no useful business purpose and, if the tax deduction were not present, would be of no advantage to the taxpayer.

Bought Bonds At Discount

In the bond cases, the taxpayers were paying interest on alleged debts to purchase Treasury and commercial bonds at a discount. The net effect of these transactions—if the deduction were allowed—would be a gain to the taxpayer solely through the application of the interest deduction.

In many of these cases there was not even a physical purchase of the bonds and no transfer of the bonds to secure the loans. They were merely

paper transactions that were reflected in bookkeeping entries. The first two cases to reach the courts were Goodstein and Sonnabend. The courts decided that these were shams—that the only purpose served was to generate a profit resulting from the application of the income tax laws.

Other Courts Concurred

Other courts have been quick to indicate their approval of these tax-court decisions, said Mr. Arden. Not only have the Goodstein and Sonnabend cases been affirmed by the first circuit court of appeals but the second circuit, in New York, has fallen into line with the original decision. In addition, the court of claims in the Broome case reached the same conclusion.

During 1960, the tax court rendered its first verdict favorable to the taxpayer in this type of case. This was in the Stanton case. Here the taxpayer made bona fide bank loans of about \$9 million over a two-year period. The money was invested in short-term governments and commercial notes. The court stated: "Once the taxpayer entered into the transaction he was required to do all that he did do, and he took no steps that were lacking in substance or legal fact, and he was strictly within the law at all times."

Created A True Debt

In fact, the tax court said that Stanton created a true debt. One favorable circumstance in this case was the bank's refusal to permit Stanton to make a prepayment, and that fact seemed to be instrumental in convincing the court of the bona fide nature of the entire transaction.

At the same time these bond transactions were being attacked, a group of cases dealing with financed annuities also came before the courts. Here the loans were made against future cash values of annuities. The taxpayers contended the interest on the loans was deductible. As in the bond situations, the result would have been a profit for the taxpayer after taking his deduction.

Formal Compliance Held O.K.

In United States vs Bond, the first financed annuity case reached the appellate court, and that court allowed the deduction by finding that a formal compliance with the statute was sufficient. However, the courts of appeals for the second, third and ninth circuits and the tax courts have denied the tax deduction in such cases.

In these annuity cases, said Mr. Arden, the mechanics were not so obviously paper transactions as in the financed bond cases, and still the

courts were not able to find—at least in their opinion—a valid business purpose for the transactions. They all pointed to the fact that no profit could have resulted from the borrowing if the interest deduction had not been present. But by allowing the interest deduction, not only does a tax saving appear but there is an actual profit.

Discusses Diggs Decision

Mr. Arden recalled that in a recent annuity case—Diggs vs Commissioner—decided by the court of appeals, the court said: "Petitioner labors hard to persuade us that there is economic substance or business purpose, but we can discern in the over-all transaction no possible motive other than one of tax avoidance and no graspable realistic financial benefit other than that."

"Now confusion joins the issue," said Mr. Arden. "Just last month a new case was decided for taxpayer John Loughran, and here the tax court found in favor of the taxpayer and has allowed the deduction for interest paid on money borrowed to purchase a single premium annuity prior to 1954."

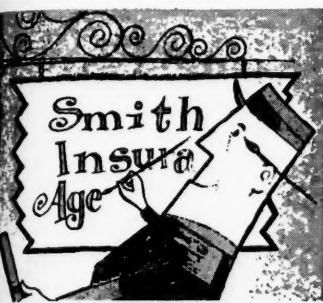
"These decisions, both for and against the deduction on annuities,

appear to hang on slim threads, as the individual facts are analyzed. In the Loughran case, the fact that the taxpayer was requested to put up additional collateral seemed to be important to the court. This is a very interesting decision, because it is in direct contradiction to the other cases.

"The judge stated: 'In this case the petitioner did in reality borrow money from a bank, and did in reality pay interest therefor. Regardless of the reason for which the money was borrowed, the interest actually paid is deductible in the absence of a specific statutory prohibition under the general statute provision allowing the deduction of interest.'

Now In Supreme Court's Lap

"Here, then, is a flow back and forth of contradictory judicial opinions in various parts of the country on almost similar facts. This entire complex matter has been tossed in the lap of the Supreme Court, which just last week heard arguments in the case of Knetsch vs United States. Knetsch, again, was a single premium annuity situation argued in a number of courts and now being presented to the Su-



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Blue Cross Loses Tax Decision In Milwaukee

A motion by Associated Hospital Service (Blue Cross) for a refund on taxes paid to the city of Milwaukee has been denied in circuit court. Blue Cross contended that it is a non-profit organization and should have been exempt from paying the city \$150,000 in taxes from 1955 to 1958.

In denying the motion, Circuit Judge Elmer Roller said the two issues involved were whether Blue Cross is a non-profit organization and whether it is so different from other insurance companies that the legislature has the power to exempt it.

Edward L. Moerke Jr., assistant city attorney who argued the case for the city, said he would request a trial to clarify certain elements of the decision.

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preme Court for the ultimate decision. "This confusion of cases and decisions on financed bonds and annuities, we have felt for two years, was part of a planned over-all attack by Revenue on the interest deduction, which would ultimately result in a direct attack on financed ordinary life. We don't feel, as some do, that this is an accidental approach. Further, we are convinced that the Brown case brings us close to the heart of the contest."

Borrowed On Various Collateral

Mr. Arden explained that taxpayer in this case, a resident of Idaho, last March filed a petition in the tax court in his district contesting an alleged tax deficiency based on disallowance of the interest deduction. Brown had borrowed money from a midwest bank and had given as security a group of policies that included single premium annuities, single premium life, limited payment life and ordinary life.

"This is the first case that involves the deductibility of interest on financed insurance itself," Mr. Arden pointed out. "We don't have the exact details on the case but it appears that the government has taken a situation where possible deniable deductions and legitimately allowable deductions have been lumped together and presented it as one entity."

Confusion—Or Elucidation?

"Perhaps this is for the purpose of confusion, or even elucidation—it's anybody's guess. But this is the first actual case we know of where ordinary life policies are involved in an interest-deduction court fight. This case, of course, will be watched with great interest. The Assn. of Advanced Life Underwriters has been in touch with Mr. Brown's attorney and we are assisting him."

Mr. Arden said the Brown case represents the government's first attempt to approach the more difficult type of situation where life insurance protection results from the debt transaction. Here the Internal Revenue Service must surmount the taxpayer's argument that the life insurance provides the business purpose that substantiates the bona fide nature of the transaction. Whether the government can successfully hurdle this obstacle remains to be seen.

Selected Combination Situation

It should be carefully noted, said Mr. Arden, that in the Brown case the government was careful to select a situation in which insurance financing was coupled with annuity and security financing, so that the insurance protection will be "subject to the tinge of regulations already on the books controlling the tax deductions on the annuities and bonds."

"We feel that if Revenue is successful in this combination approach, it can be expected to approach pure financed ordinary life insurance," said Mr. Arden. "I think you can now see from the careful development of these cases that litigation tactics have played and will continue to play a major part in the final determination of whether interested incurred in financing life insurance will be deductible."

"A Supreme Court opinion in the Knetsch case could cut through the

ever, too much reliance on what the Supreme Court may decide would be a mistake, as the Knetsch case involved a pure financed annuity, and this does not contain the life insurance protection that is the essential aspect of financed insurance as we know it."

Mr. Arden was introduced by William Pickett of the Fluegelman agency of Connecticut Mutual, who is program chairman. William H. Barr, Carr agency, Continental Assurance, the association president, conducted the meeting. Copies of the new association directory were distributed.

Visitors From India Describe Life Insurance

(CONTINUED FROM PAGE 2)

India has fewer limitations in regard than in the U.S. He said about 25% of insurance money is invested in common and preferred stock in India, as against about 5% in the U.S. In India 50% of investments in government securities. Most investments by American companies are mortgages and bonds.

Buying habits in India are different. There is little installment buying—most people wait until they have the money before making a purchase. This is due partly to more uncertain employment conditions in India, which makes persons wary of taking on long term debts.

Group Health Mutual Is Now Offering Its Monthly Provider Plan

Group Health Mutual of St. Paul now offering its monthly provider plan. The company emphasizes that the plan, which combines decreasing term insurance with disability insurance, does not replace permanent plans; in fact, the plan may be converted to permanent life or endowment insurance any time without physical.

In the plan, the policyholder receives monthly income, instead of a lump sum, and both life and disability are included in one policy. Arnold Laquist, general manager, said "the idea of the plan is simple: People are in the habit of living on a monthly paycheck. Yet insurance is usually purchased on the face amount—a lump sum. To produce \$10,000 worth of insurance by monthly income of \$200 and the cash amount is gone in just four years or four months. That isn't even close to adequate protection, yet many families have even less."

If insured is receiving total disability benefits at the expiration of the plan, the life portion is automatically converted to ordinary life in an amount equal to its value at the beginning of the disability.

Colonial Supervisory Personnel Getting Course In Local Politics

An action course in practical politics at the local level is being given to members of Colonial Life's home office supervisory staff.

The course, sponsored by New Jersey Chamber of Commerce, covers the basics of political organization and elective processes. It consists of eight two-hour workshops.

Home office and agency employees of General American Life contributed \$20,800 to the St. Louis United Fund exceeding their goal by 4%. The company also contributed \$20,000.

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Seen By The Cameraman At Annual Meeting Of LIAMA At Chicago



John C. Slattery, 2nd vice-president Guardian Life; Robert B. Taylor, vice-president and agency manager, and Karl Ljung, vice-president agency operations, both of Jefferson Standard Life, and C. Russell Noyes, secretary and advertising manager Phoenix Mutual Life. (All identification on this page is from left.)

W. Robert Jenkins, president Columbian Mutual Life of Binghamton, N. Y.; Eugene M. Thore, vice-president and general counsel Life Insurance Assn., provided L. W. Sumner, manager at Toronto-decrease of Mutual of New York.



Herbert C. Skiff, vice-president Phoenix Mutual Life, and Robert G. Gilmore Jr., public relations director Mutual Benefit Life and a past president of NALU.



W. Lee Shield, executive vice-president American Life Convention, and Otto Haakenstad, president Western States Life and president of ALC.

Raymond W. Simpkin, vice-president Connecticut Mutual Life; L. S. Morrison, management consultant, Hartford, Conn., formerly with LIAMA, and J. Moorhead, secretary New England Life.



W. W. Hartshorn, superintendent of agencies, and Glen J. Spahn, 2nd vice-president, both of Metropolitan.



Burkett W. Huey, LIAMA director of institutional relations, and William B. Cornett, director of A&S, Prudential.



James K. Reid, associate director company relations of LIAMA (third from left) with members of Life Insurance Co. of India, who are, from left, Jayasing Ranadive, actuary; Sirulur Srinivasan, managing director, and Ravindra Mehta, secretary.

Equitable Life of Iowa group: Robert Alford, assistant superintendent of agencies; J. R. Ward, vice-president and director of agencies, and R. A. Speas, assistant superintendent of agencies.



Donald E. Hanson, vice-president life agencies department Aetna Life; E. H. Snow, director of agencies Aetna Life; Wylie Craig, vice-president Georgia International Life, and John K. Luther, director of training, life agencies department Aetna Life.

New York Life contingent: Dudley Dowell, chairman executive committee and executive vice-president; James D. Dunning, vice-president, and Howard Conley, 2nd vice-president.



Agency Officers' Top Job Is Building Field Management Corps

(CONTINUED FROM PAGE 1)

make markets; markets don't make men.' You know this is true and you have proved it over and over again. The master key to the growth of life insurance sales and a life insurance company is the manager or general agent.

Nothing Is More Important

"Therefore, nothing is more important to the success and growth of a life insurance company than its program for the selection, training and development of men for field management jobs."

Mr. Johnson quoted the following passage from a talk made by Burkett W. Huey, LIAMA director of institutional relations, at the recent American Life Convention annual meeting:

"There is now a great urgency for business organizations to give top priority to the whole process of selecting, educating, training and maturing their leaders. In a world of increasing competition and complexity, we can't hope that our managerial supply will materialize automatically out of the void from some mysterious natural process related to the 'survival of the fittest.' If we are truly to meet the challenge and opportunities ahead, our management development must be related to our individual company objectives and needs."

Every company is different, Mr. Johnson observed, but regardless of size or kind, every company has the same problem developing field management personnel.

"Based on our experience in New

York Life, we believe that a life insurance company is 'people,' and can grow only in two ways," he said. "First, through more people—more agents or more sales outlets; second, through more productive people—and bigger sales per outlet."

"We believe that the manager is the key to this growth. He, not the home office, must find the agents, must train the agents, must inspire the agents who will make the company grow. The home office must furnish the necessary tools and set the standards, but the manager must do the job in the field."

Must Pay For Results

"We believe a company succeeds and grows as it is willing to pay for the things it wants done. Professional sales managers and their proper selection, training and development cost money but pay enormous returns."

"We believe in 'growing' managers. We know it takes time and experience, as well as training, to make a good manager."

"And we believe in growing our own managers. What's more, we believe every company would prefer to do so. All of you know the shifting and drifting general agent or manager who hops from one company to another seemingly at the beck and call of the highest bidder. The man who starts with you, who is trained by you, who thinks like you—stays with you."

Manager Supply Limits Pace

"We believe that a company cannot grow any faster than its supply of well selected and well trained managers and that a program for field management development is a 'must' if your life insurance sales are going to keep pace with the growth of the economy or, better yet, move ahead."

"Personally, I believe any company—large, small or medium—can create a successful field management development program. In addition to the LIAMA schools in agency management and the CLU management study program, every company can build its own home office program according to its own needs and specifications. It is simply a question of degree. The smaller companies, of course, need fewer candidates but in some ways, by virtue of their size, are in a position to do a more personal and intensive job than the larger companies."

"Only people can make a life insurance company grow—first management people and then sales people. We can build our future only by building men."

Mr. Johnson cast his talk in the form of a series of five convictions, one of which was that the No. 1 job of the agency officer is to develop field management personnel. Others were these:

—That the agent's job offers unparalleled rewards and should never be downgraded. Last year the top money earner among New York Life's agents earned more than the chairman and president. Ben Feldman, Youngstown, O., earned more than \$256,000 in 1959.

Sees Opportunity 'Insulted'

"When companies and general agents and managers recruit with the lure of 'opportunities in management,' they directly negate and in my personal opinion they insult the great opportunity and the great satisfaction available through a lifetime career in selling life insurance," said Mr. Johnson.

—That the services of the agent

must be sold to the insuring public. "Life insurance companies do not sell life insurance, only life insurance agents sell life insurance," Mr. Johnson emphasized. "But when you read some of the advertisements and sales literature of life insurance companies you might think people could be persuaded by the printed word alone to come to our home offices and field offices and make application."

Needn't Sell Companies' Strength

"The life insurance companies in America have great prestige in the eyes of the public and have great public acceptance. But it is the service of the agent that needs to be sold to the public, not the prestige and strength of the company. . . . I believe that selling the services of the agent can be built into every piece of sales promotion and advertising copy no matter what its central purpose, it can be the central theme itself."

—The life agent goes through the same development process as the professional man and should be treated in the same manner. Mr. Johnson contrasted the strictly regimented life of the doctor who is learning his profession with the independence he has when he goes into practice, and said it is the same with the training and development of the competent life agent. During his apprenticeship the agent needs much technical instruction, much training on the job in the field, strict discipline as to hours and methods of work and close supervision until he is ready to perform successfully on his own.

Beholden To No One

Once he has completed this internship, however, he becomes an independent. Then, like the doctor, he makes his own hours, selects his own

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g public clients, comes and goes as he pleases. He is beholden to no man so long as he follows the rules of his company and always conscientiously serves the best interests of his clients.

"It may be that we have been too undemanding of our newer agents during their training period and sometimes too demanding and to paternalistic toward our established agents," said Mr. Johnson.

—Personal selling and sales management are two different careers requiring different talents and training. It is becoming increasingly clear that selling and sales management are not the same and do not call for the same skills; that selling by itself seldom is adequate preparation for sales management; that selling and management each requires its own specialized knowledge, which takes years to master; that each has become a highly specialized job, almost a profession; that the agent and the company should make an early decision as to which lifetime career he should follow; that this decision must be made long before the agent's income and his renewal account have become so large, his technical knowledge and selling skills so perfected and his clientele so extensive that he cannot possibly afford to give up personal selling; that both careers offer great rewards for the man who has the proper aptitudes and interests for them.

Concluding his talk, Mr. Johnson said that one recent development in the life insurance industry disturbs him: the growing crescendo of self-criticism and self-condemnation.

Too Many Stress Weaknesses

"Too many writers and too many speakers in our business are shouting about some alleged weakness of life insurance," he said. "Perhaps they feel the need to shock their audiences to be heard. Scare headlines may sell newspapers but they don't sell life insurance. A little self-criticism is necessary and healthy; too much can become self-degrading and harmful. We have become too self-critical in life insurance for our own good."

"This accent on the negative would lead you to believe that our business is the only business in the world with problems. Other businesses have their headaches, too, with rising costs, recruiting problems, agency turnover, lapses and replacements. They're just known by other names and we don't recognize them."

"Certainly the best and most efficient way to market life insurance has not yet been found. In the years ahead, you may be sure of one thing: There will be many changes, and mostly for the better."

"In spite of its critics and detractors, I am firmly convinced that the life insurance business is here to stay because it fills a fundamental need. The life insurance agent is here to stay because he performs an indispensable service. In these convictions I have an abiding faith. It is time all of us renewed our faith in life insurance and in the agency system."

Service Guide

C

ROBERT I. BUSHNELL
Management Consultant
to Insurance Organizations

FIRE—CASUALTY—LIFE
Haydens Hill Road Fairfield, Connecticut

Peoria Sales Congress Has Stellar Card

(CONTINUED FROM PAGE 13)

people "we have not provided for." He mentioned, specifically, health care for the aged, saying there is still a choice in favor of the private enterprise system. But once people are being taxed by the government for what should be private business, the life insurance salesman is going to have a much more difficult job to sell his wares. A case in point is the social security system which started at 1%, is now at 6% and could easily go to 10%, he said. "And you know how hard it is to get people to spend 10% of their income on private insurance—particularly if they are spending 10% on some other plan, government or otherwise."

In spite of everything, Mr. Hill looks for "a great increase" in the market for life insurance, but it is up to the salesmen to stay on their toes and keep the future bright, "because the future is where you are going to spend the rest of your life." He warned, however, that too many temporary plans are being sold today instead of permanent insurance. "Our industry is selling 55% term in the form of family plans and the like," and in many cases cash value of old policies is being used for merchandising of new plans today. "Someone is going to suffer. Sell full values."

S. B. Stottrup, Mutual of Omaha, Decatur, president Illinois Health Underwriters Assn., discussed the importance of protecting loss of income and said selling life insurance separately—not integrating it with A&S—is a mistake. The prospect fears loss of income almost more than death itself, he said. "How you protect this is a technicality of our business. The prospect doesn't care how you do this, just so he is protected. Integrate your life and A&S sales."

Mr. Stottrup dramatized how much income a man can lose from age 40 to retirement earning only about \$300 a month by dumping \$100,000 of real

money on the table in front of him. The money was brought in by two Brinks Express men and seven of the Peoria police force were also on hand. As Mr. Stottrup signed for the money, he likened it to signing an insurance application, which could also produce this amount in income at the stroke of a pen. (The Peoria association, which made the arrangements with Commercial National Bank of Peoria and paid the insurance premium to protect the money, received

considerable notice in the local papers, as well as on radio and TV.)

"Stardust", written by Laflin C. Jones of Northwestern Mutual Life, and presented by the Prairie Players of Decatur, ended the morning session. Wind-up speaker of the day was Umberto A. Palos of Prudential, New Brunswick, N. J., speaking on "Motivation Means Millions." General chairman of the congress was Frank Van Auker, Massachusetts Mutual Life, Peoria.

Pictures of the meeting appear on page 25.

WHAT'S THE POTENTIAL



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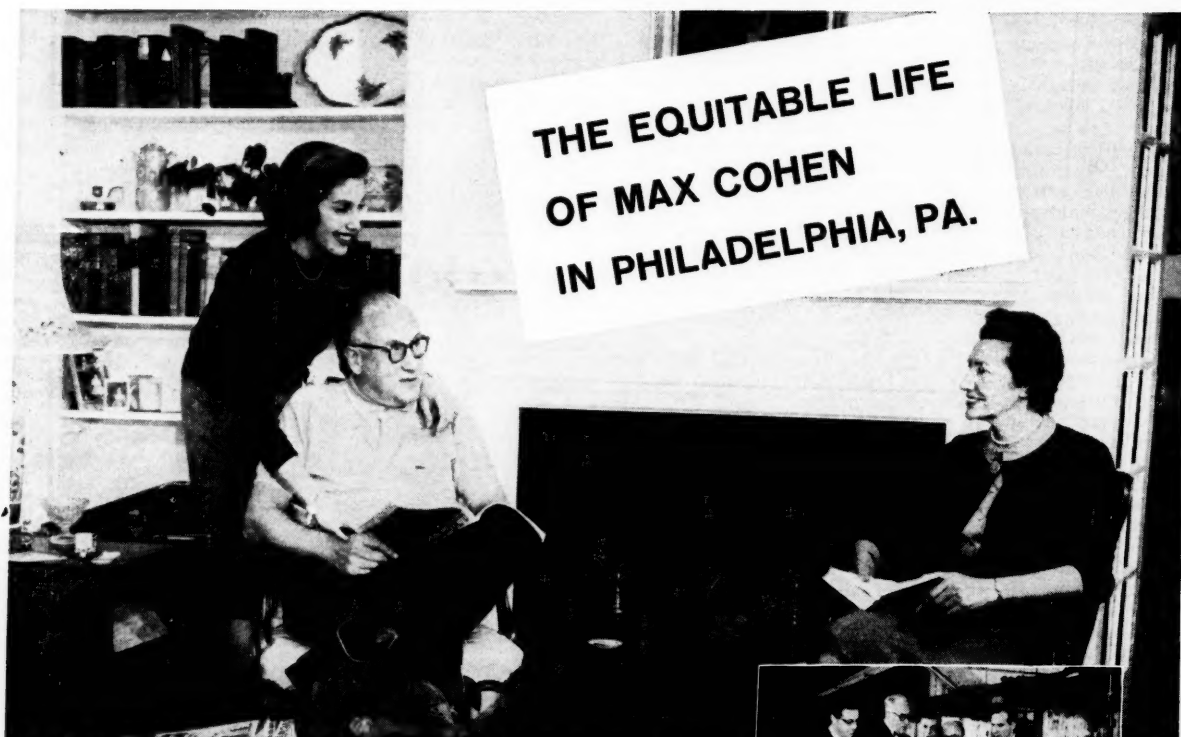
MAN WITH A FUTURE

Here is a man in the center of things. Accustomed to leading a full life, he plans a full future for his family and himself. He does this by establishing a far-sighted life insurance program with the helpful counselling of a Modern Woodmen agent. Our agents become thorough counsellors through our modern educational courses, complete through advanced training schools and regular sales conferences. Their prospect files are built from outstanding sales aids, including our own audio-visual presentations and a generous advertising allowance, which is unique in the life insurance industry. The Modern Woodmen Agent also has a promising future. Interested? Write us today.



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Max H. Cohen, member of the Two Million Dollar Club since 1955, relaxes with daughter Barbara Ann and wife Rosella. In 1959 Max was named National Honor Agent—out of 8400 candidates! "I wanted this honor more than anything," he said.



Ninety-five per cent of his new business comes from pleased clients, like Stanton Levin (left) and Maurice Levin (right), V.P. and President of the Marstan Manufacturing Company.



Scene at the Micro-chemistry laboratory of Children's Hospital. Max, an ex-president of Emile Zola Lodge of Brith Sholom, was instrumental in getting the lodge to establish and wholly support the life-saving laboratory.



Mid-City Press, Inc., largest in Phila. area, is also a large client. Pres. Julius Gross shows Max a typical job. Other officers are Elliott Real, left; Fred Toff, rear; Milton Gross, right.



Officers of Sidco Paper Company are more than pleased with Max's years of help. Left to right: Morton R. Brody, Jack Rubin, machine-operator Sam Packer, Max, Samuel Cohen, Sidney Bregman, President.



Clients are also personal friends. Left to right: Dr. M. Murray Levine, Bert Novack, Charles Cutler—and Max. On Max's 25th anniversary with Equitable 200 clients gave him a testimonial dinner!

A Man's Prestige somehow goes hand in hand with the prestige of the company he represents. This is why Max is proud to be a life underwriter with Equitable. It is a full life. And a rewarding one! **Living Insurance is more than a need ... it's a career!**

The Equitable Life Assurance Society of the United States

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